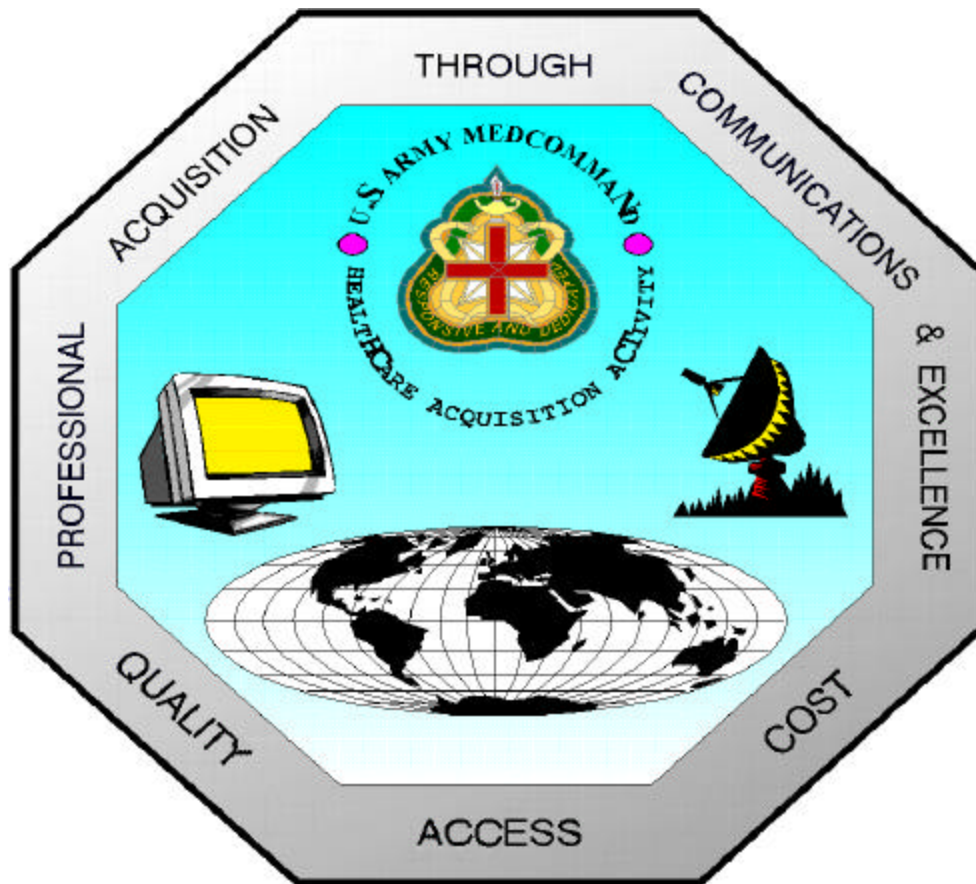


CUSTOMER HANDBOOK



PACIFIC REGIONAL CONTRACTING OFFICE

**MEDCOM HEALTH CARE ACQUISITION
ACTIVITY**

FORWARD

1. **PURPOSE:** This handbook is designed to provide day-to-day guidance to the customer in the arena of purchasing and acquisition. It is not intended to replace the Federal Acquisition Regulation (FAR), Defense FAR Supplement (DFARS), Army FAR Supplement (AFARS) and TAMC Regulation 715-1.
2. **APPLICABILITY:** The procedures in this handbook apply to all elements or activities supported by the Pacific Regional Contracting Office (PRCO).
3. **SCOPE:** The handbook covers procedures when requesting contracting support from the Pacific Regional Contracting Office.
4. **OBJECTIVE:** This handbook is designed to ensure that the customer gets what he/she wants when he/she wants it, the Government pays a fair and reasonable price, laws and regulations are complied with, and the Government's interests are protected.
5. **COMMENTS:** The contracting process is complex and cumbersome. This manual should help reduce some of the frustration often experienced when trying to obtain goods and services through local purchase. Suggestions for improvement, comments or questions about this document should be addressed to Arlene Cajulao at (808) 433-6321.

TABLE OF CONTENTS

CHAPTER	DESCRIPTION	PAGE
1	Procurement in General	1
2	Definitions	2
3	How it All Fits Together	5
	General.....	5
	Contracting Officer Responsibilities.....	5
	Customer Responsibilities	6
	Summary of Responsibilities Chart	8
4	Advanced Acquisition Planning	9
5	Purchase Requests.....	10
	General.....	10
	Description of Supply or Services	10
	Sources of Supply	13
6	Simplified Acquisition Procedures	14
	Policy and Procedures	14
	Small Business Set-Asides.....	14
	Competition and Price Reasonableness	15
	Types of Simplified Acquisitions	15
	Purchase Orders	15
	Blanket Purchase Agreements	16
	Purchase Order-Invoice-Voucher, Standard Form 44	17
	Other Agency Contracts/Delivery Orders.....	17
	International Merchant Purchase Authorization Card (IMPAC)	18
7	Recurring Requirements	19
	General.....	19
	Indefinite Delivery Contracts Types.....	19
	Indefinite Delivery Contracts.....	19
	Indefinite Delivery Indefinite Quantity Contracts	19
	Requirements Contracts	19
	No Cost Equipment	19
8	Direct Health Care Provider Contracts	21

9	Commercial Advisory & Assistance Services	22
10	Special Transactions	24
	Bailment Agreements (Equipment Loans or Tests)	24
	Lease versus Purchase Options	25
	Registration, Tuition, & Examination Fees	25
	Medical Books & Periodicals	25
	Exchange of Nonexcess Personal Property.....	26
	Guest Speakers	26
11	Other Than Full and Open Competition	28
12	Receiving Locally Procured Items	30
13	Ratification of Unauthorized Commitments	31
14	Contract Officer's Representative	33

APPENDIXES

- A Completing DA Form 3953, Purchase Request &
 Commitment (PR&C)
- B Preparing an Independent Government
 Estimate (IGE)
- C Preparing a Performance Work Statement (PWS)
 /Quality Assurance Surveillance Plan (QASP)
- D Thresholds
 When to Apply Simplified Acquisition Procedures
 Competing Requirements
 Ordering Officer Call Limitations
- E Sample Paperwork for Bailment Agreement
- F Sample Lease versus Purchase Analysis
- G Instructions for preparing a Justification and
 Approval for Other Than Full and Open Competition
- H Instructions for Preparing a Receiving Report
- I How to Read Accounting Data
- J Contractor and Government Personnel Relationships

CHAPTER 1

PROCUREMENT IN GENERAL

GENERAL:

a. In order to operate, the Government must buy supplies, services and construction from the private sector. Based on laws passed by Congress, the basic rules, policies and procedures for Government procurement are set out in the Federal Acquisition Regulation (FAR), which governs all Government-wide procurement, both defense and civilian. The FAR contains procurement policies and detailed procedural and administrative requirements.

b. The FAR is divided into 53 parts, each dealing with a separate aspect of procurement. The first six parts deal with general matters relating to Government contracting. The next six parts cover various aspects of acquisition planning. Part 13 contains simplified procedures for contract actions up to \$100,000. Subsequent parts contain other aspects of acquisition, such as labor standards, socioeconomic set-asides, contract cost principles, contract administration, and standard clauses, provisions and forms.

c. The FAR is supplemented by the DoD Supplement to the FAR (DFARS) and the DA Supplement to the FAR (AFARS).

d. The Army is empowered by the FAR as a contracting agency. The Pacific Regional Contracting Office, MEDCOM Acquisition Activity is empowered to procure supplies, equipment and services for MEDCOM facilities and units within the Pacific.

(1) Only contracting officers have authority to enter into, administer or terminate contracts, and make related determination and findings. Contracting officers may bind the Government only to the extent of the authority delegated to them. The appointment authority clearly and specifically writes the limits of their authority in the delegation. Information on the limits of a contracting officer's authority shall be readily available to the public and agency personnel. Contracting officer warrants are usually on display in their work area.

(2) No contract shall be entered into unless the contracting officer ensures all requirements of law, executive orders, regulations, and all other applicable procedures (including clearances and approvals) have been met.

CHAPTER 2

DEFINITIONS

Blanket Purchase Agreement (BPA): is a simplified method of filling anticipated repetitive needs for supplies or services by establishing “charge accounts” with qualified sources of supply.

Bulk Funding: is a system whereby a contracting officer receives authorization from a fiscal and accounting officer to obligate funds on purchase documents against a specified lump sum. The funds are reserved for the purpose of a specified period of time rather than obtaining individual obligation authority on each purchase document.

Class A Agent: a commissioned or warrant officer, enlisted soldier in grade of E-7 and above, or civilian in grade of GS-9 and higher appointed to act as an agent of the Defense Accounting Office for the purpose of making payments as specified in the ordering officers appointment letter using SF44's.

Commercial Item: any item evolving from or available in the commercial marketplace that will be available in time to satisfy the user requirement. They are combination of items customarily combined and sold to the general public. Services (installation, maintenance, training and other) for these items may be procured for federal government use. These services are offered and sold competitively, in substantial quantities, and are available in the commercial marketplace.

Consumable Supplies: are supplies consumed in use, such as ammunition, fuel, cleaning and preserving materials, surgical dressings, drugs, or supplies that lose their separate identity in use such as repair parts and building materials. (AR 735-5)

Defense Accounting Officer: the staff officer or deputy assigned to perform the duties set forth in the prescribed regulations and charged with maintaining the system of accounts and financial procedures through which the commander's responsibilities are stated and discharged in monetary terms. The Defense Accounting Officer may also be a disbursing officer if public funds are disbursed in connection with assigned duties.

Delivery Order (DO): an order for supplies or services placed against an established contract or with Government sources of supply.

Direct Health Care Providers (DHCP): an individual who provides direct hands on patient care, either medical or dental. Physicians, Dentists, Nurses, Radiology Technicians are examples of direct patient care providers.

Electronic Commerce (EC): the paperless exchange of business information, using electronic data interchange, electronic mail, electronic bulletin boards, electronic fund transfer, and other similar technologies.

Electronic Data Interchange (EDI): computer to computer exchange of business data in a standardized format.

Expendable Items: items that require no formal accountability after issue from a stock record account. This category consists of items which are consumed during normal usage such as rations, gasoline, office supplies, or are merged into another entity when used for their intended purpose, such as nuts and bolts, construction materiel, repair parts and components and assemblies. (AR 7102-2, DA Pam 710-2-1, DA Pam 710-2-2, and AR 735-5)

Federal Acquisition Computer Network (FACNET): means an electronic system intended to provide a single face to industry and interoperability within the federal sector. FACNET is designed to 1) inform the public about federal contracting opportunities; 2) outline the details of the government solicitation; 3) permit electronic submission of bids and proposals; 4) facilitate responses to questions about solicitations; 5) enhance the quality of data available about the acquisition process; and 6) be accessible to anyone with access to a personal computer and modem.

Government-wide commercial purchase card (IMPAC credit card): a purchase card, similar in nature to a commercial credit card, issued to authorized agency officials for their use in acquiring supplies and services.

Micro-purchases: those purchases which do not exceed \$2500 and are not subject to the Small Business Act reservation requirement, the Buy American Act, or competitive procedures.

Non-consumable supplies: supplies not consumed in use and retain their original identity during the period of use, such as weapons, machines, tools, furniture, and fixtures. (AR 735-5)

Nonexpendable items: are items that require property book accountability after issue from the stock record account. This category consists of end items of equipment, which are separately identified. (AR 710-2, DA Pam 710-2, DA Pam 710-2-2, AR 735-5)

Nonpersonal Services: when the services being provided and the personnel rendering them are not subject, either by contract's terms or by the manner of its administration, to the supervision and control usually prevailing in relationships between the Government and its employees.

Ordering Officer: a representative of the Contracting Officer appointed by the Chief, Pacific Regional Contracting Office under the provisions of the Army Federal Acquisition Regulation Supplement (AFARS) Part 213.505-3 for the purpose of procuring mission essential supplies and services in support of a contingency operation or training exercise. There is no grade requirement for appointment of an ordering officer.

Performance Based Contracting: structuring all aspects of an acquisition around the purpose of the work to be performed, opposed to the manner by which the work is to be performed or broad and imprecise statements of work.

Personal Services: when services are performed by individuals, and by the express terms of a contract or the administration of the contract, the individual appears, in effect to be a Government employee.

Purchase Order (PO): an offer by the Government to buy certain supplies, equipment or services from commercial sources, upon specified terms and conditions, the aggregate amount of which does not exceed the simplified acquisition threshold. Either a DD1155 (Order for Supplies or Services) or SF1449 (Solicitation/Contract/Order for Commercial Items) will be utilized to document these contractual actions.

Simplified Acquisition Procedures (SAP): the methods prescribed in FAR Part 13 for making purchases of supplies or services using purchase orders, blanket purchase agreements, government wide commercial purchase cards, or any other appropriate method.

Simplified Acquisition Threshold (SAT): \$100,000.00

Standard Form 44, Purchase Order-Invoice-Voucher: is a pocket size purchase order form designed primarily for the on-the-spot, over-the counter purchases of supplies and nonpersonal services while away from the purchasing office or at isolated activities. It is a multipurpose form that can be used as a purchase order, receiving report, invoice and public voucher.

CHAPTER 3

HOW IT ALL FITS TOGETHER

1. GENERAL

a. For both routine and non-routine contract actions, confer with the Pacific Regional Contracting Office (PRCO) early on during your planning process to obtain proper advice and assistance. It will also aid us in planning our workload and meeting your requirements.

b. Provide PRCO with a complete requirement package. This includes a clear description of the requirement, funding authorization, and local purchase authority.

c. ENSURE:

(1) Requirements are not split to overcome timing and/or funding restrictions. FAR 13.103(c) states: "Requirements aggregating more than the simplified acquisition threshold shall not be broken down into several purchases that are less than the threshold merely to permit use of simplified acquisition procedures."

(2) All necessary approvals have been obtained.

(3) Identification of brand name or equal, if applicable.

2. CONTRACTING OFFICER (KO) RESPONSIBILITIES

a. Promote and provide for full and open competition in soliciting offers and awarding Government contracts IAW 10 U.S.C. 2304 and 41 U.S.C. 253 through the use of the competitive procedures.

b. Ensure coordination with key players (DFAS, Chief of Logistics, RMD, legal, etc.)

c. Decide whether to use simplified acquisition procedures, commercial item procedures, or formal contracting procedures.

d. Decide whether to use Request for Quote (RFQ), Invitation for Bid (IFB) or Request for Proposal (RFP).

e. Decide anticipated contract type.

f. Comply with EC/EDI requirements.

- g. Prepare and issue the solicitation.
- h. Evaluate proposals.
- i. Award the contract.
- j. Perform contract administration.

3. CUSTOMER RESPONSIBILITIES

a. Throughout the Requirement Establishment/Request/Receipt Process:

(1) Ensure coordination with key players (Property Book, Materiel Branch, Medical Maintenance, Chief of Logistics, IMD, RMD, etc.)

(2) Begin advanced acquisition planning by using contract administrative lead times provide by the PRCO.

(3) Provide input in the solicitation development (IGE, evaluation factors, special provisions, etc.)

(4) Provide input to allow the contracting officer to determine the procurement process.

(5) Participate in evaluating proposals.

(6) Assist in the contract administration phase (COR, technical monitors, receipt, acceptance, etc.)

b. When requesting contracting support:

(1) Complete DA Form 3953, Purchase Request and Commitment (PR&C). (For customers at TAMC this is done utilizing IFICs).

(2) Prepare a Performance Work Statement (PWS) and Quality Assurance Surveillance Plan (QASP) for services and construction projects.

(3) Prepare and submit an Independent Government (IGE) for the cost of supplies or services expected to be at or exceed \$50,000 or construction expected to be at or exceeding \$25,000.

(4) Obtain appropriate approvals (Medical Maintenance, Property Book, Information Management and Facilities Management)

(5) Obtain funding (different types of supplies and services require different “colors” of money).

(6) Provide a Contracting Officer’s Representative (COR), when asked to by the Contracting Officer for service or construction, contracts.

(7) Account for and maintain leased and purchased property.

(8) Complete and submit, to DFAS, receiving reports to acknowledge satisfactory contract completion on DD Form 1155, SF 1449 or DD Form 250.

4. A summary of responsibilities chart is provided on the next page.

SUMMARY OF RESPONSIBILITY

<u>PROCUREMENT PROCESS</u>	<u>PRIME RESPONSIBILITY</u>	<u>ASSISTANCE RESPONSIBILITY</u>	<u>REMARKS</u>
Identify Need	Customer		
Obtain Funding	Customer	Resource Management Division	
Define Requirement	Customer	PBO, Medical Maintenance, Medical Supply, IMD, Facilities, PRCO, RMD, Legal	What, When, Where, Dollars
Acquisition Strategy	PRCO	Customer, Legal, RMD,	Acquisition Plan, Performance Work Statement
Prepare Solicitation	PRCO	Customer, Legal	Team approach, Support Documentation, System Approach, AAA Audit
Proposal	PRCO	Customer, Legal	Labor intensive, Long Lead Time, Priority
Contract Award	PRCO		Terms & Conditions
Contractor	Customer (COR)	PRCO, Legal, DFAS	Receipt Acceptance, Monitor Performance
Payment	DFAS	Customer, PRCO	Invoice, Receiving Report, Contract award Document, Prompt Payment, Electronic Fund Transfer
Close Out	PRCO	Customer DFAS	

CHAPTER 4

ACQUISITION PLANNING

1. GENERAL

a. Acquisition planning is a process by which the efforts of all personnel (you as the requiring activity, logistics, resource management, information management, legal, and contracting) responsible for an acquisition are coordinated and integrated through a comprehensive plan for fulfilling the agency's needs in a timely manner and at a reasonable agency's cost. It includes developing the overall strategy for managing the acquisition. This planning begins when the need is first thought of by you all the way through the acquisition process to include receipt and acceptance of the requirement.

This means we need to work together as a team from the point of conception to develop the strategy and carry out the acquisition of a required item/service. We should all avoid issuing requirements on an urgent basis or with unrealistic delivery or performance schedules. Logistics and planning should be involved to allow us to consolidate acquisitions for similar or like items allowing us to take advantage of quantity discounts, saving you money that can then be spent on your other requirements.

b. The following are things that should be considered during the acquisition planning process:

(1) Acquisition background and objectives. What is the requirement and its priority?

(2) Cost

(3) Capability or performance. Also consider any constraints on these.

(4) Delivery or performance period requirements.

(5) Trade-offs

(6) Risks

(7) Possible sources

(8) Budgeting and funding

(9) Product or service descriptions

(10) Management Information Requirements

(11) Environmental/energy and security considerations

CHAPTER 5

PURCHASE REQUESTS

1. GENERAL

All requests for local purchase of medical supplies, services and equipment will be typed and submitted on DA Form 3953 (Purchase Request and Commitment). DA Form 3953 can be completed and submitted in hard copy, or via either the automated IFICS or TAMMIS system interface. Appendix A of this Customer Handbook gives instructions for completing the DA Form 3953.

2. DESCRIPTION OF SUPPLY AND SERVICE

a. It is the responsibility of the requesting activity acting in conjunction with technical and supply personnel, to prepare a purchase request, which clearly and thoroughly describes the requirement. All pertinent brochures, descriptive literature or other data describing the requirement must accompany the purchase request. Failure to specify essential information such as color, size, weight, accessories, options, installation requirements, etc., delay the procurement process and often result in incorrect items being received. Purchase descriptions must also be written in a manner, which permit a maximum degree of competition.

b. Requirements may be described using either of the following techniques:

(1) Purchase description of the required supply or service expressed in common or generic terms. Description must clearly and completely identify the requirement and will normally include the common nomenclature, kind of material, electrical data, dimensions, size or capacity, restrictive environmental conditions, intended use, equipment to be used with and or pertinent data which describes the item, material, or service. Specifications should only state the government's minimal needs. Restrictive features that unduly limit the number of potential suppliers should be avoided. An example of a restrictive and non-restrictive purchase description follows:

RESTRICTIVE

Motor, electric 117VAC, 60Hz
Single phase, open dripproof; 5 ¼ HP; frame size 215, rotation CCW, single shaft ball bearing, continuous duty 50 degree C ambient temperature operation, 1800 rpm. Dimensions: 12 1/8" diameter of housing, length 15".
Mounting: 4 screws centered on 3 13/32" radius circle, equally spaced.
Weight 24 pounds. With 32" connection wire sheathed in CRES 306 Bombay, Inc., protective flexible covering 1/16" thick.

UNRESTRICTIVE

Motor, electric 117VAC, 60Hz

Single phase, open dripproof; minimum 5 HP; frame size 215, rotation CCW, single shaft ball bearing, continuous duty 50 degree C ambient temperature operation, 1700-1900 rpm. Maximum dimensions: 2' by 2' x 2'. Maximum weight 35 pounds. With at least 30' connection wire, flexible metal sheathed covering at least 1/16" thick.

(2) "Brand name or equal" purchase descriptions can be used to identify commercial items. This type of description must identify the manufacturer of the referenced product, the applicable model number, followed by the words "or equal" (which distinguishes from a sole source request). A description list of the salient physical and functional characteristics found in the referenced item, which are essential to the needs of the government must also be provided. Purchase requests that merely identify a characteristic or a sole source justification are unacceptable. Multiple brand name designations should be supplied when more than one product is known to meet the Government's needs. An example of a correct and an incorrect "Brand name or equal" description is shown below:

INCORRECT

Upright frame, pallet rack, Palmer-Shile Stock 88, P/N S88-14440 or similar.
Suggested Source: Palmer-Shile, Inc.

CORRECT

Upright frame, pallet rack, metal

Palmer-Shile Stock 88, P/N S88-14440; or EMI Air-Row Head,
P/N H-2-40144; or Brian Lyttle Beamlock Hpl-40-144; or
Storage Systems Inc. P/N 4055-108; or EQUAL.

Salient Characteristics: Height 12 feet (+3"), Depth 40 inches (+1"),
Capacity minimum 22,000 lbs each, boltless type, adjustable on 3 or
4 inch centers, with integral or detachable footplates. Delivered in
knock down form.

(3) Single brand name or sole source. Statutory provisions require Contracting Officers to obtain competition on all purchases estimated in excess of \$1,000, whether for materials or services, to the maximum extent practicable. In order for the Purchasing and Contracting Officer to limit competition, any contention that only one firm can satisfy the government's minimum needs must be supported. A written statement fully justifying the request for a "sole source" purchase must accompany any purchase request, which is based upon the product of a single supplier. The justification should address the following points:

(a) Supplies

(1) A brief description of the intended use or application.

(2) The critical or unique features which are mandatory in its intended use or application. The necessity for these features should be clearly stated.

(3) A statement that no other known product possesses one or a combination of all the required critical features. The justification should elaborate on the steps taken which led to the conclusion that only a particular source or product can meet the requirement.

(4) The existence of a patent, copyright or other limiting features, if known.

(5) Discuss what steps the government is taking or will take to make the next contractual action competitive (i.e., market search) or if such action is impossible or inappropriate explain fully (i.e., must be compatible or interchangeable with existing equipment, etc.).

(b) Services

(1) A brief description of the results anticipated from the services to be obtained.

(2) The uniqueness of the proposed contractor's organization and personnel which are considered mandatory to furnish the desired services.

(3) A statement regarding whether follow on contracts are anticipated, and if so what steps the government is taking or will take to make the next one competitive.

(4) The following examples, as written, do not constitute adequate sole source justification:

(a) Funds must be obligated prior to expiration

(b) Needed for JACHO inspection

(c) Superior product

(d) Lower price

(e) Only known source

(f) Demonstrated capability

(g) Only domestic product

3. SOURCES OF SUPPLY

a. For purchases greater than \$2,500 provide at least one source of supply or more if you know them. Actions from \$2,500 to \$100,000 will be competed utilizing an EC/EDI system known as FACNET, unless we place the order against an existing contract. Awards will be made via FACNET when the prices are deemed to be fair and reasonable and the vendors can meet the requirements. However, if no responsive quotes are received the source information will assist in expediting the process.

b. The FAR stipulates that the priority for utilization when contracting for supplies is:

(1) Federal Prison Industries, Inc (FPI), also known as UNICOR. (Within the United States, DoD is mandated to utilize FPI for supplies. You must have a waiver from FPI prior to going to another source for an item they can provide. This is true within all 50 states).

(2) Committee for Purchase from People Who Are Blind or Severely Disabled, also known as NIB/NISH.

(3) Federal Supply Schedules (FSS). (DoD is only an optional user of FSS)

(4) Commercial Sources (including educational and nonprofit institutions).

c. The FAR stipulates that the priority for utilization when contracting for services is:

(1) Committee for Purchase from People Who Are Blind or Severely Disabled, also known as NIB/NISH.

(2) Federal Supply Schedules (FSS). (DoD is only an optional user of FSS)

(3) Federal Prison Industries, Inc (FPI), also known as UNICOR, or commercial sources (including educational and nonprofit institutions).

CHAPTER 6

SIMPLIFIED ACQUISITION PROCEDURES

1. POLICY AND PROCEDURES

a. Simplified acquisition procedures shall be used to the maximum extent practicable for all purchases up to \$100,000.00 unless requirements can be met by using required sources of supply. See FAR, DFAR and AFARS for “Required Sources of Supply” (e.g., Federal Prison Industries (FPI), National Industry of the Blind and Severely Handicapped (NIB/NISH)) or orders under Federal Information Processing multiple awards schedule contracts.

b. Simplified acquisition procedures shall not be used if the initial cost estimate is expected to exceed the SAT limitation even though the resulting awards do not exceed that limit. Requirements shall not be broken merely to permit negotiations under the SAP.

c. Contracting Officers shall use the SAP that is most suitable, efficient and economical in the circumstances of each acquisition.

d. FACNET is the preferred means for acquiring supplies and services, in amounts exceeding the micro-purchase threshold (\$2,500) but not exceeding the simplified acquisition threshold (\$100,000).

e. Contracting officers are encouraged to use innovative approaches in awarding contracts using the simplified acquisition procedures.

2. SMALL BUSINESS SET-ASIDE

a. Each acquisition of supplies or services that has an anticipated dollar value of \$2,500 through \$100,000 is subject to the simplified acquisition procedures and shall be reserved exclusively for small business concerns.

b. This does not effect the responsibility to make purchases from required sources.

c. If the contracting officer determines that there is not a reasonable expectation of obtaining quotations from two or more responsible small business concerns that will be competitive in terms of market price, quality and delivery, the purchase may be made on an unrestricted basis. The contracting officer shall document in the file the reason for the unrestricted purchase. If the estimated amount exceeds \$10,000, a DD Form 2579, Small Business Coordination Record is required.

d. If a quotation from only one responsible small business concern at a reasonable price is received, the contracting officer shall make and award to that concern. However,

if a reasonable quotation from a reasonable small business concern is not received, the small business-small purchase set-aside may be cancelled and the purchase recompeted on an unrestricted basis.

3. COMPETITION AND PRICE REASONABLENESS

a. Transactions over \$2,500 must be competed in accordance with the FAR.

b. Quotations for transactions over \$2,500 will be issued on Electronic Commerce via FACNET. Quotations will be available for contractors to provide quotes for approximately three (3) days or longer depending upon the complexity of the requirement.

c. The determination that a proposed price is reasonable should be based on competitive quotations, however, the determination may be based on a comparison of proposed price with prices found reasonable on previous purchases, current price lists, catalogs, advertisements, value analysis personal knowledge or any other reasonable basis.

d. A quotation is not an offer and consequently cannot be accepted by the Government to form a binding contract. An order for supplies or services issued in response to a supplier's quotation does not establish a contract. A contract comes into being when the supplier accepts the order by written acceptance or by furnishing the supplies ordered or proceeding with the work.

e. Purchases not over \$2,500 are considered to be micro-purchases.

(1) Should be purchased utilizing the Government wide purchase card (IMPAC Card).

(2) If this is not a one time requirement, but a recurring demand item you need to speak with PRCO about the possible contract vehicles that would cover your requirement. Using a consolidated contract action has the potential of saving paperwork, time, and money.

4. Types of Simplified Acquisition.

There are 5 types of simplified acquisition procedures. The most common is to issue a purchase order on a DD Form 1155. It is used for all purchases requiring complete documentation and for most purchases deliverable on a definite calendar date. The other four are more simplified methods and used to replace the purchase order when circumstances permit. In general, the five methods used are:

a. Purchase Orders (PO):

(1) Used for purchases up to \$100,000

(2) Issues on SF 1449 or DD 1155.

(3) Used to effect a simplified acquisition transaction when none of the other simplified methods are applicable.

(4) Purchase orders shall be issued on a fixed price basis unless otherwise authorized by agency procedures.

(5) Purchase orders shall include any trade and prompt payment discounts that are offered.

(6) Purchase orders shall specify the quantity of supplies or services ordered.

(7) Inspection and acceptance can be at destination or origin of shipment. It is normally advised that inspection and acceptance occur at destination, otherwise the government is liable for transportation arrangements and for the property while in shipment.

(8) Each purchase order shall contain a determinable date by which delivery of supplies or performance of services is required.

b. Blanket Purchase Agreement (BPA). This is a simplified method of filing anticipated repetitive needs for supplies or services by establishing charge accounts with qualified sources. BPA's are really agreements to terms and conditions, which if not set forth under a basic agreement, would have to be negotiated each time a buyer goes to the market place. BPA's are just agreements. Users of BPAs are required to maintain log records showing all purchases. Under BPAs you are still subject to follow price reasonableness determinations and competition requirements. The files are inspected annually, as a minimum.

Requiring activities can have individuals appointed to utilize BPAs as follows:

(1) Prepare and submit a memorandum stating what the anticipated purchases are by FSG/FSC, estimate annual dollars, and list individuals to be appointed to the PRCO.

(2) Prepare and submit funding documentation (DA Form 3953 – Purchase Request and Commitment).

(3) All individuals appointed to purchase from a BPA are required to attend training on BPA ordering and provide all files for review when requested by the PRCO.

(4) BPA users' will maintain all mandatory documentation ready for inspections at all times. Documentation will show proof of competition and price reasonableness.

c. Purchase Order-Invoice-Voucher, Standard Form 44. This method is normally used for contingency operations, training exercises, and remote locations for order up to

\$2,500. Over the counter SF44 is a simple method of procurement and used for on-the-spot purchases of supplies and services by authorized ordering officers. The SF 44 is a multipurpose form providing a purchase order, receiving report, vendor's invoice and payment voucher. The original use of this document was during deployments. Used only when the following conditions exist:

- (1) Amount of purchase does not exceed \$2500.
- (2) Supplies or services are immediately available.
- (3) Only one delivery/pickup and payment will be made.

The Commander is required to prepare a memorandum nominating an individual to serve in the capacity as ordering officer to the Chief, PRCO. Memorandum should be furnished at least ten (10) days prior to date of requested appointment to allow sufficient time for appointment letters to be typed, training sessions to be scheduled and any coordination efforts required to be completed prior to ordering officer leaving on the mission. As a minimum the following information will be provided:

- (1) Complete name, SSN, activity address, office symbol, and telephone number of nominated individual.
- (2) Dates appointment will be required. This is inclusive dates (i.e., start to finish).
- (3) Title of mission.
- (4) Summary of items to procure (i.e., general categories).
- (5) Total dollars to be expended.
- (6) Sixty-five (65) digit accounting and appropriations data code for each category of items to be procured (i.e., services, supplies, etc.).
- (7) Name and SSN of Class A Agent.

Detailed instructions and procedures are covered in our training of Ordering Officers.

d. Other Agency Contracts/ Delivery Orders. In addition to contracts and purchase orders awarded at PRCO, there are instances when contracts awarded by other government agencies (i.e., General Services Administration (GSA) or other world-wide requirements contracts issued by other agencies) can be used to obtain needed supplies and services.

e. International Merchant Purchase Authorization Card (IMPAC). The government credit card program has been implemented within DoD as a tool to use in making one

time purchases up to \$2,500. Use of the credit card is authorized to support mission requirements IAW with the policies and procedures you have learned about in the mandatory training sessions prior to receiving the card. You must remain within the individual call and total purchase limits established by resource management. If you have any questions about the policies or procedures for using the IMPAC card then contact Dorothy Young, your Agency Program Coordinator (APC), at (808)-433-1161.

(1) It is considered splitting orders when you purchase on the same day or consecutive day, items from the same source in a manner to keep the purchases under your \$2500 single purchase limit. When you have an overall requirement greater than \$2500 then you must forward that through the appropriate channels for local purchase at PRCO.

(2) Recurring requirements should be purchased utilizing the supply channels and your contracting office (PRCO). There are contractual methods that will enable you to save money by buying these items in large quantities or under a single contract document. If you have any questions feel free to call the PRCO for assistance.

(3) It is the joint responsibility of the cardholder and the approving official to ensure only authorized expenditures are purchased with the credit cards and that timely reconciliation is accomplished. Units (Tripler, PRMC, 121, and etc.) will be assessed an interest charge when payments are not made on time, when the reconciliation paperwork is not timely. This charge will be placed against the approving official's budget .

CHAPTER 7

RECURRING REQUIREMENTS

1. GENERAL

Items for which you have a recurring demand or requirement should be purchased utilizing a contract action that will cover the total annual requirement. This allows you to reduce redundant paperwork and to have the opportunity of obtaining price breaks for larger quantities. There are contract vehicles available that you can utilize even if you don't know the exact quantity or the exact delivery date. This chapter will explain some of the options available to you. When you think you may have a recurring requirement discuss these options and other possible options with a member of PRCO to find out what would be the best approach to meet your particular needs.

2. Indefinite-Delivery Contracts.

There are three types of indefinite-delivery contracts: definite-quantity contracts, requirement contracts, and indefinite-quantity contracts. These contracts may be used to acquire supplies or services when the exact time and/or quantities of future deliveries are not known at the time of contract award. These various types indefinite-delivery contracts provide the following advantages:

a. All three types permit-

- (1) Government stocks to be maintained at a minimum level; and
- (2) Direct shipment to users.

b. Indefinite-quantity contracts and requirements contracts also permit-

- (1) Flexibility in both quantities and delivery scheduling; and
- (2) Ordering of supplies or services after requirements materialize.

c. Indefinite-quantity contracts limit the Government's obligation to the minimum quantity specified in the contract.

d. Requirement contracts may permit faster deliveries when production lead time is involved, because contractors are usually willing to maintain limited stocks the Government will obtain all (if any) of its actual purchase requirements from that contractor.

3. No Cost Equipment

Basically nobody gets anything for free. The vendors that we deal with expect that they are going to get something in return for what they give you. If they state that a piece

of equipment is free or for only one dollar per annual lease, they are expecting that you will be purchasing something else from them, normally the supplies that operate the equipment. Generally the supplies have a marked up value, as the industry standard is to give or lease the equipment in exchange for the purchase of the equipment. It is a way of locking you into them for a source of supply. No cost equipment or leased equipment should be considered on the same purchase request as the supply items that you are buying which support that piece of equipment. As the supplies are mandatory for the operation of the equipment and the annual usage will probably exceed \$2500, these are not to purchase each time on a credit card, to do so is considered “splitting orders”. Even if you don’t know the exact quantity you are going to utilize or the exact date you are delivery going to need delivers, these need to be consolidated onto one order. We (PRCO) can assist you with a variety of contract type actions to meet your needs. For example, one of the indefinite-delivery actions mentioned in paragraph 2 of this chapter may be utilized.

CHAPTER 8

DIRECT HEALTH CARE PROVIDER CONTRACTS

1. GENERAL

Title 10 U.S.C. 1091 authorizes the Secretary of Defense to enter into personnel service contracts to carry out health care responsibilities in medical treatment facilities. This statute establishes the procedures that will be utilized when processing actions for Direct Health Care Providers (DHCP) and states that personal services is the preferred method when contracting for DHCP. Additionally, the statute establishes the maximum compensation that can be provided to any individual under a personal service contract.

- a. The acquisition procedures for these contracts are streamlined; however, statements of work (SOW) are still required. As PRCO is part of a MEDCOM acquisition team, which are medical acquisition specialists, we do have on file or access to numerous SOWs. If you have a requirement for and no existing SOW please contact us and we will see if we can locate one that may be tailored to meet your needs. Please submit your tailored SOW with the your Purchase Request and Commitment (PR&C) form. Appendix A explains the PR&C and Appendix C has a sample SOW.
- b. DHCP are routinely and preferably personal services. This means that they work directly under the supervision of government personnel. The contractor's time & attendance is to be accounted for by the Contracting Officer's Representative (COR). As a personal services contractor, DHCP are not required to obtain medical malpractice liability insurance because of the employer-employee relationship between the government and the individual health care provider. (For personal service contracts with business entities the contract does not establish an employer-employee relationship between the government and the corporation, partnership, business association or other party or legal entity to which the individual health care provider(s) may be associated with. Therefore malpractice insurance is a requirement when contracting with business entities)
- c. The process for contracting with individual DHCP is streamlined by eliminating the requirement of posting and synopsisizing the requirement. The PRCO can assist you by explaining the procedures that have been established in DoD for processing these actions.

CHAPTER 9

CONTRACT ADVISORY & ASSISTANCE SERVICES

1. GENERAL

Contract Advisory & Assistance Services (CAAS) is a means to assist you in supporting or improving agency policy development, decision making, management and administration, or to support or improve the operation of management systems. It is a means of contracting for personnel to analyze our business and make recommendations in changing our daily practices or procedures.

a. Requirements for establishing a CAAS contract:

(1) CAAS estimated at \$100,000 or less must be approved by the Commander of the Health Services Support Area (HSSA) (Prov), AMEDD Center & School, Medical Research Development & Acquisition Command, or Logistics Command for their respective area.

(2) The Commander of U.S. Army Dental Command (Prov), U.S. Army Veterinary Command (Prov), or U.S. Army Environmental Hygiene Agency for their respective areas shall approve requirements of \$50,000 or less.

(3) CAAS estimated over the limits in (1) and (2) above must be approved by the MEDCOM CAAS director.

(4) Must meet requirements of FAR 37.2, DoD 42005.2, and AR 5-14. Please contact PRCO if you have any questions on these.

(5) As the requesting activity you must also prepare the package for the appropriate approvals. The package will consist of:

(a) Management Decision Document. See appendix G for a sample. These are done IAW AR 5-14, figure 4-2 and approved by the appropriate levels as stated above.

(b) Funded Purchase Request with appropriate element of resource codes. See appendix A for instructions on complete this form.

(c) Statement of Work. Appendix C has a sample SOW.

(d) Sole source justification if appropriate.

(e) Identification of security requirements.

(f) The package must show that coordination with all appropriate offices has been accomplished; i.e., Staff Judge Advocate, Civilian Personnel Office, Contracting Office, etc.

b. The MEDCOM does have 5 contractors on a multiple award schedule requirements contract. These 5 contractors must be offered the opportunity to perform the work and bid on it prior to any other contractor. The requirements are not put out on synopsis/solicitation for others to bid on, therefore the time frames for processing are reduced compared to initiating a new requirement.

CHAPTER 10

SPECIAL TRANSACTIONS

1. BAILMENT AGREEMENTS (EQUIPMENT LOANS/TESTS)

There may be instances when you are not sure if a piece of equipment will accomplish the mission. The vendor(s) may be willing to allow you to test the equipment prior to deciding if you want to purchase it or a similar piece of equipment. In these instances a bailment agreement between the vendor and the Government can be initiated which allows the vendor to loan the equipment to the Government for a test period. The Pacific Regional Contracting Office (PRCO) may approve bailment agreements for periods of 30 days. For periods longer than 30 days the request is processed through PRCO to the MEDCOM Healthcare Acquisition Activity for approval.

a. Requests for loan agreements will be forwarded on a memorandum providing the following information:

- (1) Item nomenclature
- (2) Quantity
- (3) Location where the item will be placed
- (4) Period of loan (normally not more than 30 days)
- (5) Name and telephone number of individual in activity who will be responsible for item.
- (6) Name, address, and phone number of company
- (7) Purpose of loan:
 - (a) Loans for demonstration and examinations require administrative approvals set forth in AR 40-61, which must accompany the request.
 - (b) Voluntary loans to replace items removed for repair will provide the purchase request number against which the repair is being performed.

b. PRCO will contact the vendor to obtain their signature on the necessary paperwork. Upon signature of the vendor and the contracting officer, you will be notified by the PRCO. You may then have the equipment delivered for the test period.

c. You must ensure that you coordinate the arrival of the equipment with both Property Management Branch and Medical Maintenance, who must maintain temporary accountability records.

d. Upon the expiration of the agreement (30 days) you must give PRCO notification that the equipment has been returned to the vendor.

2. LEASE VERSUS PURCHASE OPTIONS

The decision to lease/rent rather than purchase must be made on a case by case basis when clearly it is in the best interest of the Government. The following are situations where lease/rentals are generally considered prudent: Item is not for sale; Item is needed for one-time, short-term requirement of 6 months or less; Item will become obsolete within 1 year due to substantial technological advancements; or Lease/rental can be shown through economic analysis to be cheaper than purchase.

a. All purchase requests for items with an annual lease/rental cost of less than \$3,000 must be accompanied by a narrative justification for the lease/rental and an economic analysis comparing the cost of rental vs purchase. Analysis will consider all related expenses (maintenance, operating supplies, salvage, etc.) over the life of the item. Assistance in preparing this document can be obtained by contacting your appropriate comptroller or fiscal officer. The documentation must be approved by your comptroller or fiscal officer before forwarding along with your purchase request to PRCO.

b. All purchase requests for lease/rental with an annual cost of \$3000 or more must be accompanied with approval by Headquarters, Health Services Command. Procedures for requesting this approval is outlined in AR 310-34 and appropriate HSC supplements.

3. REGISTRATION, TUITION AND EXAMINATION FEES

a. Approved registration, tuition, and examination fees are normally paid directly to the individual in conjunction with DD Form 1610, travel orders to the institution providing the training by use of DD Form 1556 (Request Authorization Agreement, Certification of Training and Reimbursement), coordinated and prepared by Medical Education.

b. When valid justification exists activities can submit a DA Form 3953 covering training requirements through the Chief, Medical Education. If approved, a purchase order will be issued to the training institution. Payment to an individual is not authorized under this method nor can advance payments be made.

c. In-house examinations or accreditations that exceed \$2500 or are with institutions that do not accept the credit card will be processed by use of a DA Form 3953. All examinations or accreditations will be coordinated with Medical Education.

4. MEDICAL BOOKS AND PERIODICALS

a. Requests for professional books (except for dictionaries and the Physicians Desk Reference), medical or technical subscriptions for all activities must be submitted through the applicable library officer and must bear the signature of said officer. The submission of publication subscription for periodicals longer than one (1) year is authorized and encouraged.

b. Library Accountable Officers will initiate and/or approve the above transactions on DA Form 3953. After approval by the Commander or his/her designee, requests should be sent through the appropriate fiscal officer to PRCO.

5. EXCHANGE OF NONEXCESS PERSONAL PROPERTY

a. It is DOD policy to use exchange processing for replacing nonexcess items. It shall be used to the maximum extent possible when such transactions foster the economical and efficient accomplishment of the approved program.

(1) Exchange property is non-excess property eligible for replacement because for obsolescence, unserviceability, or other valid reason. It is exchanged and applied as whole or partial payment allowance toward the acquisition of similar items.

(2) Similar Items are for the purpose of exchange transactions, both the item being acquired and the item being replaced must fall within one of the single generic categories listed in DFARS 17.7003-1 and they must be used to meet the same requirements.

b. In connection with a procurement involving exchange, the purchase request must be accompanied by a certification that the property is eligible for exchange and complies with all conditions and limitations specified in DoD Instruction 4140.51, "Exchange of Nonexcess Personnel Property in the Department of Defense". This includes a written administrative determination of economic advantage, which must be done in coordination with Property Management and Medical Maintenance. The determination must include:

(1) The anticipated economic advantage to the Government resulting from the use of the exchange authority.

(2) That exchange allowances shall be applied toward or in partial payment for the items to be acquired.

(3) That if required the exchange property has been rendered safe or innocuous, or has been demilitarized.

c. For property outside the continental United States, a minimum of 21 calendar days should be allowed for the inspection of property being offered for exchange.

6. GUEST SPEAKERS

a. A guest speaker is an individual whom delivers lectures without Government supervision, at specific places, on specific dates and on a specialized subject.

b. Purchase requests for guest speakers are to be forwarded through the Chief, Medical Education to arrive no later than 20 days prior to the date the speaker is to commence services. The purchase request will provide a breakout of cost as follows:

- (1) Honorarium
- (2) Air travel or mileage reimbursement
- (3) Local per diem costs (Hotel, taxi, etc.)
- (4) Other expenses.

c. There is a regulatory limit on the amount that may be paid for honorariums and requirements to exceed that dollar threshold must be approved at the next higher command. This means that honorariums greater than the approved limit for Tripler would have to be forwarded to MEDCOM for approval.

d. Travel is restricted to same authorizations as that of government employees under the Joint Travel Regulations.

e. After services are received the requesting activity will forward an invoice and a certificate of performance to the Finance and Accounting Office as a basis for payment. See instructions in Chapter 11 for receiving locally procured items for how to certify performance.

CHAPTER 11

OTHER THAN FULL AND OPEN COMPETITION

1. GENERAL

The Federal Acquisition Regulation (FAR) specifically states under what circumstances other than full and open competition, or “sole source” contracting may be authorized. As the requesting activity, you are responsible for providing the Justification and Approval (J&A) when other than full and open competition, or sole source on a procurement action. Appendix G has a sample of the justification that you must submit along with your purchase request. The following are the only circumstances that allow less than full competition:

a. Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements. This authority may appropriate in situations such as the following, however these examples are not intended to be all inclusive nor to constitute authority in and of themselves:

(1) Unique supplies or services available from only one source or only one supplier with unique capabilities

(2) Existence of limited rights in data, patent rights, copyrights or secret processes; control of basic raw material; or other circumstance which makes the supplies or services available from only one source.

b. Unusual and Compelling Urgency. This is the most frequent and normally accepted justification that you will have for other than full and open competition. This is when your needs for the supplies or services is of such an unusual and compelling urgency that the Government would be seriously injured unless you are permitted to limit the number of sources from which we solicit bids or proposals. This means that the delay in the award of the contract would result in serious injury, financial or other to the Government. ***(As this is the primary reason you may use for other than full and open competition a sample J&A for this basis is in Appendix G).***

c. Industrial Mobilization, Engineering Developmental or Research Capability or Expert Services. This allows the use of other than full and open competition in order for the Government to aid industries in maintaining or establishing capabilities that may be of vital importance to the strategic missions.

d. International Agreement. When there are international agreements or treaties between the United States and other foreign governments or international organizations, or when the foreign agency is funding the acquisition by other than full and open competition may be applicable.

e. Authorized or Required by Statute. We are required by Statute to use other agencies for particular sources of supply on certain supplies or services. Some of the required sources of supply include:

(1) Federal Prison Industries (UNICOR) – except for DoD activities outside the United States

(2) Qualified Nonprofit Agencies for the Blind or other Severely Handicapped (NIB/NISH)

(3) Government Printing and Binding

f. National Security. This applies when full and open competition would compromise the national security when soliciting bids or proposals.

g. Public Interest. This is when the agency head (Secretary of Defense or Secretary of Army) has determined that it is not in the public interest to seek other than full and open competition. The agency head must also notify the Congress not less than 30 days before award of a contract under this type of exception to full and open competition.

CHAPTER 12

RECEIVING LOCALLY PROCURED ITEMS

1. GENERAL

The Central Receiving Point (CRP), generally Medical Materiel, Property Management, or Medical Maintenance is responsible for completing a receiving report after the receipt of supplies and or completion of services (i.e.; lease or repair of equipment). If a CRP does not receive a commodity or does not have oversight of the services being performed then you, as the requiring activity, are responsible for conducting an inspection of supplies and/or services for all locally purchased items.

a. Inspection of Supplies and Services. Supplies and services will be inspected at the time the receiving report is completed and a copy of the inspection form forwarded to the Contracting Officer at PRCO. You should contact the Contracting Officer in a timely manner to obtain timely assistance in correcting deficiencies/discrepancies. For actions which you have been formally appointed as a Contracting Officer Representative and a formal Quality Assurance Plan has been developed to utilize the checklist from the plan to annotate results of your inspection. For other actions annotate on a Memorandum or Distribution Form the discrepancies and attach this to your receiving report. Discrepancies must be explained in sufficient detail in order to give the contracting officer sufficient information to correct the problem with the vendor/contractor.

(1) Supplies will be inspected at the time they are received. You should look for obvious damage and if the quantity ordered, shipped and received is the same. Additionally, you should validate that the item received is the item received.

(2) Services, such as leased equipment, will be inspected at the time they are received and at the completion of the lease. The intent is to ensure that existing damages are not caused by the Government and not claimed by the vendor. You must process leased equipment with Medical Maintenance and Property Management.

(3) Services, such as housekeeping, organist, and medical technicians, will be inspected during the performance of the service IAW with the quality assurance plan. Additionally if you have noted deficiencies and the contract does not have a quality assurance plan, notify the contracting officer annotating problems on a Memorandum or Distribution Form immediately. Receiving Reports must be submitted in conjunction with invoices in a timely manner to allow the contractor to be paid in a timely manner.

b. Receiving Reports are governed by Chapter 20, Section III of AR 37-1. There are several options to include use of either the SF1449 or DD Form 1155 contract documents. Another option is to complete a DD Form 250, Materiel Inspection and Receiving Report. See Appendix H for instruction on completing these forms as a receiving report.

CHAPTER 13

RATIFICATION OF UNAUTHORIZED COMMITMENTS

1. GENERAL

An unauthorized commitment means any agreement that is not binding solely because the Government representative who made it lacked the authority to enter into that agreement on behalf of the Government. Only warranted contracting officers have the authority to enter into agreements on behalf of the Government. Ratification ("Rat") is the act of approving an unauthorized commitment by an official who has the authority to do so.

The procedures for doing a ratification are paperwork intensive on the part of the individual who caused the unauthorized commitment. **Additionally, processing the paperwork does not guarantee that it will be approved. If a ratification is not approved the individual whom caused the commitment may find that they are liable and must pay the vendor/contractor. The commander may also deem based upon the circumstances that other disciplinary action may be appropriate to correct the situation.**

2. RATIFICATION PROCEDURES

a. The individual who made the unauthorized commitment shall forward documentation concerning the transaction to the individual's commander. The documentation shall include:

(1) A signed statement describing the circumstances, the reason normal contracting procedures were not followed, what bona fide Government requirement necessitated the commitment, the benefit received and its value, and any other pertinent facts; and

(2) All other relevant documents to include: orders, invoices, or other evidence of the transaction.

b. The commander will determine if he/she concurs with the ratification.

(1) If the commander determines that he/she concurs that the commitment should be ratified, the documentation should be forwarded to the PRCO with an endorsement that:

(a) Verifies the accuracy and completeness of the documentation;

(b) Describes the measures taken to prevent a recurrence of unauthorized commitments, including a description of any disciplinary action to be taken; and

(c) Provides a complete purchase description and funding for the ratifying contract. All appropriate approval levels and fund certifying officers must sign the purchase request. Additionally, the Resource Management Office must endorse the package with a statement that “Funds are available and were available at the time the unauthorized commitment was made.”

c. PRCO will review the ratification package for adequacy of all facts, records, and documents furnished and for requesting any additional materiel that may be required. The package is forward for legal contract review/concurrence and returned to PRCO. PRCO then makes a recommendation as to whether or not the transaction should be ratified and reasons for the recommendation. If the recommendation is not to ratify the action a recommendation should include whether or not the matter should be processed under FAR Part 50 as a GAO claim or in some other way. Ratification packages over \$10,000 will be forwarded to the MEDCOM Acquisition Activity for approval.

CHAPTER 14

CONTRACTING OFFICER'S REPRESENTATIVE

1. GENERAL

A Contracting Officer's Representative (COR) is an individual that has been designated by a Contracting Officer to assist in the technical monitoring or administration of a contract. It is the Contracting Officer who makes a determination that a COR is needed to assist in the administration of a contract and it is the responsibility as the requesting activity to nominate individuals for that position when requested by the Contracting Officer.

The COR must be a government employee, unless otherwise authorized by MEDCOM regulations. Additionally, the COR must be qualified by training and experience commensurate with the responsibilities to be delegated. There is a formal COR Course that is available by submitting a DD 1556 for training and education through the appropriate channels. Availability of the Contracting Officer's Representative Course, ALMC-CL can be found at web site: <http://www.almc.army.mil>

a. The contracting officer will designate in writing and furnish a copy to the contractor specifying:

- (1) The extent of the COR's authority to act on behalf of the contracting officer.
- (2) The limitations of the COR's authority.
- (3) The period covered by the designation.
- (4) The authority that can not be re-delegated.
- (5) That the COR may be personally liable for unauthorized acts.

b. The COR must maintain a file for each contract assigned. This file must include at a minimum:

- (1) A copy of the contracting officer's letter of designation and other documentation describing the COR's duties and responsibilities.
- (2) Documentation of actions taken in accordance with the delegation authority.

c. If you have been designated as a COR, ensure that you have received a copy of the PRCO Desktop Guide for Contracting Officer's Representatives.

APPENDIX A

COMPLETING DA Form 3953

1. GENERAL

Completion of DA Form 3953, Purchase Request and Commitment (PR&C) is the customer's (requiring element's) responsibility. The form must be filled out in sufficient detail. The customer is responsible for ensuring that all internal (supervisory) approval levels, information management, property book, medical maintenance, medical materiel, and resource management coordination and approvals are completed. (This responsibility does not change even if you are inputting the DA Form 3953 information in through IFICs).

2. PREPARATION INSTRUCTIONS

The following will provide block by block instructions on preparing DA Form 3953:

a. Block (a) – PURCHASE INSTRUMENT NO. Document number from requiring activity element or comptroller.

b. Block (b) – REQUISITION NO. Document number from requiring element that includes the Department of Defense Activity Address Code (DODAAC), Julian Date, and serial number.

c. Block (c) – DATE. Date of requisition.

d. Block (d) – PAGE ____ OF ____ PAGES. Fill in blanks.

e. Block (e) – THRU. Name/address of requiring element Director/Supervisor.

f. Block (f) – FROM. Name/address of ordering organization.

g. Block (g) – PURCHASED FOR. Name of organization for which supplies/services are being purchased.

h. Block (h) – DELIVERED TO. Organization/address of Central Receiving Point.

i. Block (i) – NOT LATER THAN (Date). Latest date when delivery/performance is required. The date must be realistic and based on the Standard Delivery Dates for each Priority Designator (PD) as outlined in Chapter 2, AR 725-50.

j. Block (j) – NAME AND TELEPHONE NO. OF PERSON TO CALL FOR ADDITIONAL INFORMATION. Point of contact concerning the requirements. This

person must be knowledgeable and have the authority to provide clarification on the PR&C.

k. Block (k) – LOCAL PURCHASE AUTHORIZED... OR REQUISITIONING DISCLOSES NONAVAILABILITY... OR EMERGENCY SITUATION PRECLUDES... Authority (governing regulation) for local purchase. Must check and complete the appropriate block.

l. Block (l) – ITEM-DESCRIPTION OF SUPPLY OR SERVICES/SUGGESTED SOURCE OF SUPPLY-QUANTITY-UNIT-ESTIMATED UNIT PRICE & TOTAL COST-DISCOUNT TERMS-PURCHASE ORDER NO. Ordering information: by item number, describe the item/service requested including quantity, type of units (i.e. - ea, lb, and lot), unit price, and total cost. Includes data needed for preparation of procurement document, discount terms, purchase order (if contract modification or option), and delivery schedule.

m. Block (m) – ACCOUNTING CLASSIFICATION-AMOUNT-TYPED NAME & TITLE OF CERTIFYING OFFICER- SIGNATURE. Fund certification: In the appropriate block, the resource manager or accountable officer will enter the accounting classification to be charged, the dollar amount the name and title of officer approving use of funds, date of signature and signature of approving officer. If applicable indicate the foreign currency conversion rate and amount as converted into US Dollars.

n. Block (n) – THE FOLLOWING ITEMS ARE REQUIRED NOT LATER THAN AS INDICATED ABOVE FOR THE FOLLOWING PURPOSE. Purpose and use of purchase.

o. Block (o) – DELIVERY REQUIREMENTS. Check or fill-in appropriate blank.

p. Block (p) – DATE-TYPED NAME AND GRADE OF INITIATING OFFICER-SIGNATURE-DATE. In appropriate block, date, name, title and grade of requesting officer and signature.

q. Block (q) – DATE-TYPED NAME AND GRADE OF SUPPLY OFFICER-SIGNATURE. In appropriate block, date, name, title and grade, and signature of responsible supply officer.

r. Block (r) – DATE –TYPED NAME AND GRADE OF APPROVING OFFICER OR DESIGNEE-SIGNATURE. Name, grade, and signature of _____.

NOTE. The use and completion of this form is governed by Chapter 8, AR 37-1. Use OF 336, Continuation Sheet, if more room is required for Block (l).

PURCHASE REQUEST AND COMMITMENT <small>For use of this form, see AR 37-1; the proponent agency is OASA(FM)</small>			1. PURCHASE INSTRUMENT NO.		2. REQUISITION NO.		3. DATE		PAGE OF PAGES						
4. TO:			5. THRU:				6. FROM:								
It is requested that the supplies and services enumerated below or on attached list be															
7. PURCHASED FOR						8. DELIVERED TO			9. NOT LATER THAN (Date)						
The supplies and services listed below cannot be secured through normal supply channels or other Army supply sources in the immediate vicinity, and their procurement will not violate existing regulations pertaining to local purchases for stock, therefore, local procurement is necessary for the following reason: <i>(Check appropriate box and complete item.)</i>						10. NAME OF PERSON TO CALL FOR ADDITIONAL INFORMATION			11. TELEPHONE NUMBER						
12. LOCAL PURCHASES AUTHORIZED AS THE NORMAL MEANS OF SUPPLY FOR THE FOREGOING BY				13. REQUISITIONING DISCLOSES NONAVAILABILITY OF ITEMS AND LOCAL PURCHASE IS AUTHORIZED BY			FUND CERTIFICATION								
EMERGENCY SITUATION PRECLUDES USE OF REQUISITION CHANNELS FOR SECURING ITEM						The supplies and services listed on this request are properly chargeable to the following allotments, the available balances of which are sufficient to cover the cost thereof, and funds have been committed.									
											19. ACCOUNTING CLASSIFICATION AND AMOUNT				
14. ITEM	15. DESCRIPTION OF SUPPLY OR SERVICES	16. QUANTITY	17. UNIT	18. ESTIMATED											
				UNIT PRICE <i>a</i>	TOTAL COST <i>b</i>										
						20. TYPED NAME AND TITLE OF CERTIFYING OFFICER									
						21. SIGNATURE		22. DATE							
						23. DISCOUNT TERMS									
						24. PURCHASE ORDER NUMBER									
25. THE FOREGOING ITEMS ARE REQUIRED NOT LATER THAN AS INDICATED ABOVE FOR THE FOLLOWING PURPOSE						26. DELIVERY REQUIREMENTS									
						ARE MORE THAN 7 DAYS REQUIRED TO INSPECT AND ACCEPT THE REQUESTED GOODS OR SERVICES YES <input type="checkbox"/> NO <input type="checkbox"/>									
						IF YES, NUMBER OF DAYS REQUIRED									
27. TYPED NAME AND GRADE OF INITIATING OFFICER		28. SIGNATURE			29. DATE		34. TYPED NAME AND GRADE OF APPROVING OFFICER OR DESIGNEE		35. SIGNATURE		36. DATE				
30. TELEPHONE NUMBER															
31. TYPED NAME AND GRADE OF SUPPLY OFFICER		32. SIGNATURE			33. DATE										

37. OBLIGATION RECORD										38. AMOUNT OF COMMITMENT \$									
DATE	REFERENCE NUMBER	OBLIGATED INCURRED			UNOBLIGATED BALANCE			REMARKS		DATE	REFERENCE NUMBER	OBLIGATED INCURRED			UNOBLIGATED BALANCE			REMARKS	

39. PROCUREMENT DATA															
BIDDER NO.	Item						DISCOUNT DAYS				BUSI-NESS		DELIVERY TIME	DESTINATION FOB POINT	
	Qty														
	Unit						10	20	30	NI	Lg	Sm			

APPENDIX B

PREPARING AN INDEPENDENT GOVERNMENT ESTIMATE (IGE)

1. GENERAL

The Independent Government Estimate (IGE) is the requiring activity's (unit's) realistic cost factors (services or construction) or price factors (supplies) to support contractual funding requirements. All requiring activities will submit an IGE with all purchase requests for construction in excess of \$25,000 and all other requirements > \$100,000.

2. FORMAT

The format on the following pages will be used when completing or preparing an IGE. It should be modified to include additional information as required by resource management or the comptroller. If you have questions when completing the IGE, contact PRCO for assistance.

INDEPENDENT U.S. GOVERNMENT ESTIMATE (IGE)

COST ESTIMATE (FOR SERVICES OR CONSTRUCTION)

LABOR

Direct (<i>list by type-i.e., truck driver,</i>	_____	
<i>supervisor, mason, vertical construction</i>	_____	
<i>worker, etc.)</i>	_____	
Total Direct	_____	
Overhead ____% of Total Direct	_____	
Total Labor Cost		\$_____

SUPPLIES AND OTHER DIRECT COSTS

Materials (<i>list by type</i>)	_____	
Supplies (<i>list by type</i>)	_____	
Equipment (<i>list by type</i>)	_____	
Other Direct Cost (<i>list by type</i>)	_____	
Total		\$_____

GENERAL & ADMINISTRATIVE AND PROFIT/FEE

General & Administrative	_____	
Profit	_____	
Total		\$_____

<u>TOTAL ESTIMATE</u>		\$_____
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INDEPENDENT U.S. GOVERNMENT ESTIMATE (IGE)

PRICE ESTIMATE (FOR SUPPLIES)

SIMILAR PROCUREMENT *(list as applicable)*

Reference	Date	Item Description	Price
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
TOTAL			\$_____

OR

ESTABLISHED CATALOG PRICE *(list as applicable)*

Reference	Date	Item Description	Price
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
TOTAL			\$_____

OR

MARKET SURVEY *(list as applicable)*

Reference	Date	Item Description	Price
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
TOTAL			\$_____

APPENDIX C

PREPARING A PERFORMANCE WORK STATEMENT (PWS)/ QUALITY ASSURANCE SURVEILLANCE PLAN (QASP)

1. GENERAL

When requesting services or construction, you are responsible for specifying in writing precisely what the Contracting Officer is to buy, and how you (the requestor) will verify that you are getting what is requested. The Performance Work Statement (PWS), also known as Statement of Work (SOW) is the document that specifies the services or construction to be bought. The Quality Assurance Surveillance Plan (QASP) is the document that specifies how you will verify that you are getting what is requested.

2. PERFORMANCE WORK STATEMENT

a. A PWS in the format on the following five (5) pages will be submitted with the DA Form 3953 Purchase Request and Commitment. Everything that the contractor must do under the contract must be specified in the PWS. Lack of specificity in the PWS causes problems later, delaying contract performance, and costing the government more money.

b. It is recommended in the PWS that you concentrate on stating what is to be accomplished/performed, not the method that the contractor is to perform the task. This is called Performance Based and allows the contractor the opportunity to determine the best method for accomplishing the task.

NOTE: The PRCO has done several types of service contracts throughout the years and may have a sample of one for the particular service you are seeking on file. Any samples should be reviewed and amended to meet the current requirements and/or situation. Contact the PRCO to see if they have a pre-existing PWS/SOW or if they can obtain one from another of the MEDCOM Acquisition Activity Offices for your use.

3. QUALITY ASSURANCE SURVEILLANCE PLAN (QASP).

The QASP is the written instructions by which the COR checks to ensure the government is getting what is contractually required. The QASP consists of written instructions for the COR, and a checklist containing items of contract performance which have been extracted from the Performance Work Statement. A QASP will be submitted with each DA Form 3953 requesting contract services or construction. The format of a QASP follows the PWS format sample in this Chapter of the Handbook.

SECTION C

PERFORMANCE WORK STATEMENT

SECTION C.1.

GENERAL

- C.1.1.** Specify what the contractor must provide (i.e., personnel, equipment, tools, materials, supervision). Add the name of service (i.e., hospital housekeeping services, radiology technician) and name of the location where the service is to be performed.
- C.1.2. BACKGROUND INFORMATION.** Include information providing the offeror with a good perspective on the history of the organization, and any special conditions under which the work is to be done.
- C.1.3. PERSONNEL.**
- C.1.3.1.** Include any special personnel qualifications required of contract employees. (i.e., speak English, professional licenses, drivers licenses, security clearances, permits, uniform or badge requirements, neatness or cleanliness requirements, etc.). When written certifications or licenses are included here, cross reference the requirement to a Technical Exhibit, and require the contractor to submit the documentation as a required report.
- C.1.3.1.1.** Insert time limits here. Remember to be reasonable, because it is very costly to have somebody there at a moment's notice, or available 24 hours a day seven days a week.
- C.1.4. PHYSICAL SECURITY.** Include all requirements for security of government property (i.e., key control, reporting lost keys, etc.).
- C.1.5. QUALITY CONTROL.**
- C.1.5.1.** The contractor shall establish and maintain a complete Quality Control Plan to ensure that the requirements of the contract are provided as specified. One copy of the contractor's Quality Control Plan shall be provided to the contracting officer not later than the pre-performance conference. An updated copy must be provided to the contracting officer on the contract start date and as changes occur.
- C.1.5.2.** The plan shall describe the methods for identifying and preventing defects before the level of performance becomes unacceptable.

- C.1.6. QUALITY ASSURANCE.** The government will evaluate the contractor's performance under this contract using the method of surveillance specified in Technical Exhibit _____. All surveillance observations will be recorded by the government. When an observation indicates defective performance, the COR will obtain the contractor's representative's initials on the record of the observation.
- C.1.6.1.** Performance Evaluation Meetings. The contract manager may be required to meet periodically with the COR and contracting officer at the beginning of contract performance. Meetings will be scheduled as needed. The contractor may request meetings whenever a Contract Discrepancy Report is issued. The written minutes of these meetings shall be signed by the contractor's manager, contracting officer and COR. If the contractor does not concur with the minutes he shall state any areas of non-concurrence within ____ days of receipt of the signed minutes.
- C.1.7. HOURS OF OPERATION.**
- C.1.7.1.** Normal Hours. *(Specify the normal hours).*
- C.1.7.2.** Recognized Holidays. *(Specify recognized holidays that will affect contractor's performance).*
- C.1.7.3.** Emergency Services. *(Include the contractor's responsibilities to support contingencies outside normal duty hours described above).*
- C.1.8. CONSERVATION OF UTILITIES.** *(Include specific requirements for preventing waste of utilities).*

SECTION C.2. DEFINITIONS
(Define all technical terms, abbreviations, or acronyms used in the PWS)

- C.2.1. STANDARD DEFINITIONS.**
- C.2.1.1.** Acceptable Quality Level (AQL). The AQL is the maximum percent defective that, for purposes of sampling inspections can be considered satisfactory.
- C.2.1.2.** Contracting Officer (KO). A person duly appointed with the authority to enter into and administer contracts on behalf of the U.S. Government.
- C.2.1.3.** Contracting Officer's Representative (COR). An individual designated by the contracting officer to act as his representative to assist in administering a contract. The source and authority for a COR are contained in the written letter of designation.

- C.2.1.4.** Customer Complaint. A means of documenting certain kinds of contract service problems. A government program that is explained to every organization that receives service under this contract which is used to evaluate contractor's performance.
- C.2.1.5.** Defective Service. A service output that does not meet the standard of performance associated with it in the Performance Requirements Summary (PRS).
- C.2.1.6.** Government Property. All property owned or leased to the government or acquired by the government under the terms of the contract. Government property includes both government furnished property and contractor acquired property as defined in FAR 45.101.
- C.2.1.7.** Government Property Administrator. An authorized representative of the Contracting Officer appointed in writing to administer contract requirements and obligations relative to government property (FAR45.101).
- C.2.1.8.** Lot. The total number of services output in a surveillance period, as defined in the Performance Requirements column of the PRS.
- C.2.1.9.** Performance Requirement. The point that divides acceptable and unacceptable performance. When the method of surveillance is other than random sampling, the performance requirement is the number of defectives or maximum percent defective in the lot before the government will effect the price computation system in accordance with the Performance Requirements Summary and the Inspection of Services Clause.
- C.2.1.10.** Performance Requirements Summary (PRS). Identifies the key service outputs of the contract that will be evaluated by the government to assure contract performance standards are met by the contractor.
- C.2.1.11.** Quality Assurance (QA). Those actions taken by the government to assure services meet the requirements of the Performance Work Statement (PWS) and all other service outputs.
- C.2.1.12.** Quality Assurance Evaluator (QAE). A government person responsible for surveillance of contractor performance.
- C.2.1.13.** Quality Assurance Surveillance Plan (QASP). An organized written document used for the quality assurance surveillance. The document contains specific methods to perform surveillance of the contractor.
- C.2.1.14.** Quality Control. Those actions taken by a contractor to control the performance of services so that they meet the requirements of the PWS.

- C.2.1.15.** Random Sampling. A sampling method in which each service output in a lot has an equal chance of being selected.
- C.2.1.16.** Sample. A sample consists of one or more service outputs drawn from a lot. The number of outputs in the sample is the sample rate.
- C.2.1.17.** Sampling Guide. The part of the surveillance plan which contains all the information needed to perform surveillance of the service outputs by the random sampling method of surveillance.
- C.2.2.** TECHNICAL DEFINITIONS PECULIAR TO THIS PWS. *(In alphabetical order).*

SECTION C.3. GOVERNMENT FURNISHED PROPERTY AND SERVICES.

(List the facilities, equipment, materials, and services that the government will provide to the contractor for contract performance at no cost. Services might include utilities, postal or installation distribution, telephone, custodial services, refuse collection, insect or rodent control, grounds maintenance, equipment maintenance, police or fire protection, data processing, transportation, emergency medical treatment).

SECTION C.4. CONTRACTOR FURNISHED ITEMS AND SERVICES.

- C.4.1. GENERAL.** Except for those items or services specifically stated to be government furnished in Section C-3, the contractor shall furnish everything required to perform this contract.

SECTION C.5. SPECIFIC TASKS.

(This is the portion of the PWS where everything the contractor is to do is described in detail. List the tasks in logical order, using graphic depictions such as flow charts, maps or drawings as needed. If a task is not included, then the contractor is not obligated to perform it. Any ambiguities in the PWS will be interpreted in favor of the contractor).

SECTION C.6. APPLICABLE PUBLICATIONS AND FORMS.

(List all Technical Manuals, Technical Orders, regulations, manuals, specifications, and supplements thereto, which the contractor, will require to meet the Performance Standards of the PWS. Do not list operating instructions. If none are required list none).

***Use technical exhibits to add detailed technical information to the PWS.**

TECHNICAL EXHIBIT 1 – PERFORMANCE REQUIREMENTS SUMMARY

An abstract of the Specific Tasks (C.5 from the Performance Work Statement) in columnar form. The columns are:

Column 1 is a brief description of each required task under the contract

Column 2 is the paragraph number from the PWS where the task is found.

Column 3 is the standard to which the task is to be performed.

TECHNICAL EXHIBIT 2 – MAPS AND WORK AREA LAYOUTS

Include maps of the following:

a. Building floor plan of any governmental-owned facility or part of a facility to be provided for contractor use, as described in Section C.3 of the PWS. In a shared facility, show the location of the latrine to which the contractor personnel will have access.

b. Area map showing the government facility, parking areas, location of refuse containers, which contractor may use, and any areas requiring grounds maintenance for which contractor is responsible.

c. Use additional maps to depict any areas or taskings, which cannot be adequately described in writing.

TECHNICAL EXHIBIT 3 – REQUIRED REPORTS

Use DD Form 1423 Contract Data Requirements List (CDRL) to list all required reports, drawings, maps, technical information, or other data required to be provided to the contracting officer by the contractor.

TECHNICAL EXHIBIT 4 – GOVERNMENT FURNISHED FACILITIES

List and describe any facilities the government is to furnish to the contractor at no cost for the performance of the contract. Include maps and floor plans as appropriate.

QUALITY ASSURANCE SURVEILLANCE PLAN FOR SERVICES

1. This QASP has been designed to provide the U.S. Government COR an effective and systematic surveillance method for each listed services in the *(name of contract)* contract. (Methods for administering and evaluating other provisions of the contract are to be developed by the contracting officer and the COR).

1.1. The QASP provides a systematic method to evaluate the services the contractor is required to furnish – not the details of how the contractor accomplishes the work. (The plan uses a combination of the surveillance methods, which adequately assures the government of the contractor's performance).

1.2. This QASP is based on the premise that the contractor and not the government is responsible for management and quality control actions to meet the terms of the contract. The Performance Requirements recognize that the contractor is not a perfect manager and that the unforeseen and uncontrollable problems do occur. Good management and use of an adequate quality control plan will allow the contractor to operate within specified performance requirements. CORs are to be objective, fair and consistent in evaluating contractor performance against the standards.

2. CONTRACTING OFFICER REPRESENTATIVE SURVEILLANCE

SCHEDULE. The COR will develop a monthly surveillance schedule based on the surveillance plan's requirements. The monthly schedule will be completed not later than the last workday of the preceding month. Copies of the schedule shall be sent to the contracting officer. The schedule shall be marked "FOR OFFICIAL USE ONLY" and shall not be shown to the contractor.

3. UNACCEPTABLE PERFORMANCE. If performance is judged unacceptable, the COR will initiate a Contract Discrepancy Report (CDR) and submit it, with the checklist recording the unacceptable performance, to the contracting officer. The seriousness of the situation should govern whether the COR should provide the Contract Discrepancy Report to the contracting officer as soon as unacceptable performance is indicated or wait until not later the third workday of the month following the surveillance.

4. INFORM CONTRACT MANAGER. The COR must always contact the contractor's manager or on-site representative and inform them of what was wrong. Have the manager initial the entry on the checklist. The COR must note on the back of the checklist where the defect was found, the time and method of notification, and the COR's initials.

5. REVISIONS TO QASP. Revisions to the surveillance plan are the joint responsibility of the functional area chief (requirements technical representative) and the contracting officer.

6. PERIODIC SURVEILLANCE. Items are inspected using checklists at a given frequency (daily, monthly, etc.). These checklists are to be contained in this section. The checklist will contain elements of contract performance extracted from the Performance Work Statement.

APPENDIX D

THRESHOLDS

When to Apply Simplified Acquisition Procedures

TYPE OF ACTION	DOLLAR AMOUNT	ACTION
Purchase of Items/Services	Up to \$100,000	Use Simplified Acquisition Procedures
Purchase of Commercial Items/Services	Up to \$5,000,000	Use Simplified Acquisition Procedures

Competition Requirements

DOLLAR AMOUNT	QUOTATIONS REQUIRED
Up to \$2,500	One if price is fair and reasonable
Over \$2,500	Reasonable number (usual case is 3)

Ordering Officer Call Limits

TYPE OF ACTION	CONDITION	DOLLAR LIMITATION
Purchase Cards	Card Holder	\$2,500 each transaction
Blanket Purchase Agreement	External Ordering Officer	\$1,000 to \$2,500 per day per vendor
Blanket Purchase Agreement	Internal PRCO	\$25,000 per transaction
Delivery Orders	PRCO	Unlimited
SF44s	Ordering Officer	Up to \$2,500

APPENDIX E

INSTRUCTIONS & SAMPLE FOR PROCESSING BAILMENT AGREEMENT

The following is a sample bailment agreement that must be completed and given to the Pacific Regional Contracting Office. Allow 2 weeks for processing. The contracting officer will contact the vendor and have the formal agreement signed. The contracting officer will contact upon having a valid signed agreement. The property is not to be in house until the contracting officer has notified you. You must coordinate the arrival of the equipment with Property Management and Medical Maintenance.

SAMPLE

MCHK-__

(date)

MEMORANDUM FOR: C, Pacific Regional Contracting Office, ATTN: MCAA-PC

SUBJECT: Request for Materiel Demonstration/Examination Agreement

1. The following information is hereby submitted for a Request for Materiel Demonstration/Examination Agreement:

- a. Item Description, Model/Serial No.: (provide copy of any literature/brochure)
- b. Accessories if any:
- c. Quantity:
- d. \$ Value:
- e. Delivery Point: (location where equipment is to be installed, Dept., Wing, Room, etc. include office symbol)
- f. Delivery/Installation Date:
- g. Vendor/Supplier: (Name, Address, Phone Number, Fax Number, POC)
- h. Purpose of Proposed Action:
- i. Period of Loan: (30 days only)

2. POC for Activity/Hand Receipt Holder and Telephone Number

APPENDIX F

SAMPLE LEASE V. PURCHASE ANALYSIS

The following is the minimum required when requesting a lease of equipment rather than purchasing. Additional information and data may be required. However, in situations such as CPT equipment that is leased in conjunction with supplies this is acceptable.

1. Estimated length of the period the equipment is to be used: _____

2. Comparison:

	Rental	Purchase
Cost of equipment:	_____	_____
+Maintenance Costs:	_____	_____
+Estimated Supplies:	_____	_____
+Transportation & Installation:	_____	_____
-Trade-in/Salvage Value:		_____
TOTAL:	_____	_____

3. What is the potential obsolescence of the equipment because of imminent technology improvements? _____

4. What is the availability of servicing capability? Can the Government maintain the equipment or purchase the service? _____

5. What is the advantage of the alternative types? _____

APPENDIX G

INSTRUCTIONS FOR PREPARING A JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION

When you submit a purchase request having delivery dates that do not allow adequate vendor competition, you are responsible for preparing a Justification and Approval (J&A) citing the reason under FAR 6.302. Use the following format when preparing the J&A (sample is based upon unusual and compelling requests):

JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION

1. **Contracting Activity:** Pacific Regional Contracting Office
160 Krukowski Road
Tripler, HI 96859-5000
2. **Description of the Action being Approved:** In accordance with FAR 6.302-2, Unusual and Compelling Urgency, this is a J&A for a Firm-Fixed Price Contract for (*commodity being locally purchased*) that will be used by (*name and location of requesting activity*).
3. **Efforts to Obtain Competition.** Every effort is being made to obtain more sources and stimulate competition. (*List actions taken or to be taken to increase competition*)
4. **Reason for Authority Cited.** (*State the reason why there is not enough time to have full and open competition*)
5. **Market Survey.** Informal market surveys indicate that there are/not any other available sources that can meet the urgency of this requirement.
6. **Interested Sources.** No source has expressed interest in writing.
7. **Other Factors.** None.
8. **Technical Certification.** I certify that the supporting data under my cognizance which are included in the J&A are accurate and complete to the best of my knowledge and belief.

Name/Signature: (*Technical Representative*)

Date:_____

APPENDIX H

INSTRUCTIONS FOR PREPARING A RECEIVING REPORT

1. Preparation of DD Form 1155, Order for Supplies or Services as a receiving report. To use DD Form 1155 as a receiving report, use a copy of the original issued by the Contracting Office. Blocks 1 thru 25 will have been completed. You must complete the following blocks:

a. Block #26. Individual with the authority to receive the purchase must check the appropriate block, date and sign. Any discrepancies found in the supply or services will be noted in detail on the reverse side of the form or on the attached piece of paper.

b. Block #27. The shipment number if applicable and the appropriate box must be checked, partial or final (final means the total or last shipment or service has been received or completed).

c. Block #36. The supervisor of the individual completing Block #26 must sign and date.

ORDER FOR SUPPLIES OR SERVICES

(Contractor must submit four copies of invoice.)

Form Approved
OMB No. 0704-0187
Expires Dec 31, 1993

PAGE 1 OF

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0187), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR FORM TO EITHER OF THESE ADDRESSES.
SEND YOUR COMPLETED FORM TO THE PROCUREMENT OFFICIAL IDENTIFIED IN ITEM 6.**

1. CONTRACT/PURCH ORDER NO.		2. DELIVERY ORDER NO.		3. DATE OF ORDER (YYMMDD)		4. REQUISITION/PURCH REQUEST NO.		5. PRIORITY	
6. ISSUED BY		CODE		7. ADMINISTERED BY (If other than 6)		CODE		8. DELIVERY FOB <input type="checkbox"/> DEST <input type="checkbox"/> OTHER (See Schedule if other)	
9. CONTRACTOR		CODE		FACILITY CODE		10. DELIVER TO FOB POINT BY (Date) (YYMMDD)		11. MARK IF BUSINESS IS <input type="checkbox"/> SMALL <input type="checkbox"/> SMALL DISADVANTAGED <input type="checkbox"/> WOMEN-OWNED	
NAME AND ADDRESS						12. DISCOUNT TERMS			
						13. MAIL INVOICES TO			
14. SHIP TO		CODE		15. PAYMENT WILL BE MADE BY		CODE		MARK ALL PACKAGES AND PAPERS WITH CONTRACT OR ORDER NUMBER	
16. TYPE OF ORDER		DELIVERY		This delivery order is issued on another Government agency or in accordance with and subject to terms and conditions of above numbered contract.					
PURCHASE				Reference your _____ furnish the following on terms specified herein.					
				ACCEPTANCE. THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH, AND AGREES TO PERFORM THE SAME.					
NAME OF CONTRACTOR		SIGNATURE		TYPED NAME AND TITLE		DATE SIGNED (YYMMDD)			
<input type="checkbox"/>		If this box is marked, supplier must sign Acceptance and return the following number of copies:							
17. ACCOUNTING AND APPROPRIATION DATA/LOCAL USE									
18. ITEM NO.	19. SCHEDULE OF SUPPLIES/SERVICE			20. QUANTITY ORDERED/ACCEPTED*	21. UNIT	22. UNIT PRICE	23. AMOUNT		
* If quantity accepted by the Government is same as quantity ordered, indicate by X. If different, enter actual quantity accepted below quantity ordered and encircle.				24. UNITED STATES OF AMERICA			25. TOTAL		
				BY:			CONTRACTING/ORDERING OFFICER		
26. QUANTITY IN COLUMN 20 HAS BEEN <input type="checkbox"/> INSPECTED <input type="checkbox"/> RECEIVED <input type="checkbox"/> ACCEPTED, AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED				27. SHIP. NO. <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL		28. D.O. VOUCHER NO.		30. INITIALS	
DATE _____ SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE _____				31. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL		32. PAID BY		33. AMOUNT VERIFIED CORRECT FOR	
36. I certify this account is correct and proper for payment. DATE _____ SIGNATURE AND TITLE OF CERTIFYING OFFICER _____								34. CHECK NUMBER	
								35. BILL OF LADING NO.	
37. RECEIVED AT	38. RECEIVED BY (Print)			39. DATE RECEIVED (YYMMDD)	40. TOTAL CONTAINERS	41. S/R ACCOUNT NUMBER		42. S/R VOUCHER NO.	

2. Preparation of SF 1449, Solicitation/Contract/Order for Commercial Items as receiving report. To use SF 1449 as a receiving report, use a copy of the original issued by the Contracting Office. Blocks 1 thru 31 will have been completed. You must complete the following blocks.

a. Block #32a, 32b, and 32c. Individual with the authority to receive the purchase must check the appropriate box, date, and sign. Any discrepancies found in the supply or service must be noted in detail on the reverse side of the form or on an attached piece of paper.

b. Block #33. The shipment number if applicable and the appropriate box must be checked, partial or final (final means the total or last shipment or services has been received or provided).

c. Block #41a, 41b, and 41c. The supervisor of the individual completing block #26 must date and sign.

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS
OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, & 30

1. REQUISITION NUMBER			PAGE 1 OF		
2. CONTRACT NO.		3. AWARD/EFFECTIVE DATE		4. ORDER NUMBER	
5. SOLICITATION NUMBER		6. SOLICIATION ISSUE DATE		7. FOR SOLICITATION INFORMATION CALL:	
8. OFFER DUE DATE/ LOCAL TIME		9. ISSUED BY		10. THIS ACQUISITION IS	
11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED		12. DISCOUNT TERMS		13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)	
13b. RATING		14. METHOD OF SOLICITATION		15. DELIVER TO	
16. ADMINISTERED BY		17a. CONTRACTOR/ OFFEROR		18a. PAYMENT WILL BE MADE BY	
18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED		19. ITEM NO.		20. SCHEDULE OF SUPPLIES/SERVICES	
21. QUANTITY		22. UNIT		23. UNIT PRICE	
24. AMOUNT		25. ACCOUNTING AND APPROPRIATION DATA		26. TOTAL AWARD AMOUNT (For Govt. Use Only)	
27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4. FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA		27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4. FAR 52.212-5 IS ATTACHED. ADDENDA		28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN	
29. AWARD OF CONTRACT: REFERENCE		30a. SIGNATURE OF OFFEROR/CONTRACTOR		31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)	
30b. NAME AND TITLE OF SIGNER (Type or print)		30c. DATE SIGNED		31b. NAME OF CONTRACTING OFFICER (Type or print)	
31c. DATE SIGNED		32a. QUANTITY IN COLUMN 21 HAS BEEN		33. SHIP NUMBER	
34. VOUCHER NUMBER		35. AMOUNT VERIFIED CORRECT FOR		36. PAYMENT	
37. CHECK NUMBER		38. S/R ACCOUNT NUMBER		39. S/R VOUCHER NUMBER	
40. PAID BY		41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT		42a. RECEIVED BY (Print)	
41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER		41c. DATE		42b. RECEIVED AT (Location)	
42c. DATE REC'D (YY/MM/DD)		42d. TOTAL CONTAINERS		43. DATE REC'D (YY/MM/DD)	

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OMBNO.: 9000-0136
Expires: 09/30/98

3. Preparation of DD Form 250, Material Inspection and Receiving Report. (This can be used in lieu of the receiving portion of the DD Form 1155 or SF 1449).

- a. Block #1. Purchase Order or Contract Number.
- b. Block #2. Vendor's shipment number if applicable.
- c. Block #3. Shipping date from vendor if applicable.
- d. Block #4. Bill of Lading or Transportation Control Number (TCN) if applicable.
- e. Block #5. Discount terms. (i.e., 1% 15/NET 30, meaning the contractor will give a 1% discount if the Government pays within 15 days or require total payment for the agreed purchase price if not paid until 30 days of proper invoice for the supplies or services).
- f. Block #6. Vendor's invoice number and date.
- g. Block #7. Page and number of pages.
- h. Block #8. Leave Blank.
- i. Block #9. Complete address of the vendor providing the item(s) and whether it was FOB Destination or Origin.
- j. Block #10. Complete address of contracting office procuring the supply or service.
- k. Block #11. Location shipped from if different than Block #9.
- l. Block #12. Complete address of Defense Accounting Office (DAO) or unit finance office processing payment.
- m. Block #13. Complete address of where purchase was shipped or services were performed.
- n. Block #14. User and address if different from the address in Block #13.
- o. Block #15. Contract Line Item Number(s) (CLIN(s)). EXACTLY as they appear on the purchase order or contract.
- p. Block #16. Description of supplies or services received and number of, type of and number on container(s).
- q. Block #17. Quantity shipped/received as noted by (*) on instructions.

r. Block #18. Unit of issue, (i.e., each (EA), lot (LT), job (JB), hour (HR), etc.) as listed on purchase order or contract.

s. Block #19. Price per unit listed in Block #18.

t. Block #20. Multiply quantity “received” times the unit price to get the total amount.

u. Block #21. To be completed by contract quality assurance personnel if applicable.

v. Block #22. Date, signature, and typed name of individual authorized to receive the supply or service.

w. Block #23. For contractor (vendor) comment if the vendor wishes to comment and the supply or service is received on-site directly from the vendor.

4. Distribution of the receiving reports.

a. Original to the servicing finance office.

b. One copy to the Pacific Regional Contracting Office (PRCO).

c. One copy to the Corps Comptroller/Resource Manager.

NOTE: If the receiving report is not received by the finance office payment to the vendor will be prevented. If you are late on preparing and submitting the receiving report your section/unit will be charged any interest and penalty fees allotted to the vendor for the delay in payment.

MATERIAL INSPECTION AND RECEIVING REPORT

*Form Approved
OMB No. 0704-0248*

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PLEASE DO NOT RETURN YOUR COMPLETED FORM TO EITHER OF THESE ADDRESSES.

SEND THIS FORM IN ACCORDANCE WITH THE INSTRUCTIONS CONTAINED IN THE DFARS, APPENDIX F-401.

1. PROC. INSTRUMENT IDEN. (CONTRACT)		(ORDER) NO.	6. INVOICE NO./DATE	7. PAGE	OF	8. ACCEPTANCE POINT
2. SHIPMENT NO.	3. DATE SHIPPED	4. B/L TCN	5. DISCOUNT TERMS			
9. PRIME CONTRACTOR		CODE	10. ADMINISTERED BY		CODE	
11. SHIPPED FROM (If other than 9)		CODE	12. PAYMENT WILL BE MADE BY		CODE	
13. SHIPPED TO		CODE	14. MARKED FOR		CODE	

15. ITEM NO.	16. STOCK/PART NO. <i>(Indicate number of shipping containers - type of container - container number.)</i>	17. DESCRIPTION QUANTITY SHIP/REC'D*	18. UNIT	19. UNIT PRICE	20. AMOUNT

<p style="text-align: center;">21. CONTRACT QUALITY ASSURANCE</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <p style="text-align: center;">A. ORIGIN</p> <p><input type="checkbox"/> CQA <input type="checkbox"/> ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents.</p> <p>DATE _____ SIGNATURE OF AUTH GOVT REP _____</p> <p>TYPED NAME AND OFFICE _____</p> </div> <div style="width: 48%;"> <p style="text-align: center;">B. DESTINATION</p> <p><input type="checkbox"/> CQA <input type="checkbox"/> ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents.</p> <p>DATE _____ SIGNATURE OF AUTH GOVT REP _____</p> <p>TYPED NAME AND TITLE _____</p> </div> </div>		<p style="text-align: center;">22. RECEIVER'S USE</p> <p>Quantities shown in column 17 were received in apparent good condition except as noted.</p> <p>DATE RECEIVED _____ SIGNATURE OF AUTH GOVT REP _____</p> <p>TYPED NAME AND OFFICE _____</p> <p><i>* If quantity received by the Government is the same as quantity shipped, indicate by () mark, if different, enter actual quantity received below quantity shipped and encircle.</i></p>
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APPENDIX I

HOW TO READ ACCOUNTING DATA

1. Each of the various federal agencies has a different method for cost accounting. A typical string of accounting data found on a requirement document is 30 to 40 characters in length. Each of these characters is broken out differently – in accordance with the accounting practices of the providing agency. However, the first nine (9) digits are the same for all agencies. They are:

Positions 1-2: Accounting Cross-Reference Number (ACRN). These first two characters always alphabetic, and serve as a reference identifier to the line of accounting. When there is only one line of accounting data the ACRN will always be “AA.” ACRNs will not be duplicated within the same fund usage document (i.e., the same ACRN will not be assigned to two or more different lines of accounting data on the same document).

Positions 3-9: Appropriation. These 7 characters are always numeric (with the exception of continuing appropriations, which use the letter “X” in position #5). The appropriation symbol is the key to identifying the type and date of funds. The first 2 digits (positions #3 and #4 of the line of accounting) designates the government agency responsible for administering the appropriation (i.e., “21” for Army). In the case of appropriations which are allotted or transferred from one agency to another, the appropriation symbol is prefixed by the 2-digit code for the receiving agency and a hyphen (i.e., “21-57” for Air Force appropriations transferred to the Army). The third digit (position #5) indicates the fiscal year of the appropriation (i.e., “9” for FY99). An “X” in this position indicates a continuing appropriation (i.e., stock fund account). In the case of multiple-year appropriations, the first and the last years of funds available are separated by a slash (i.e., “5/9” for 5-year funds available for FY95 through FY99). The last four digits (positions #6 through #9) designate particular appropriations. The (very long) list of appropriations for any particular agency can typically be found in publications from the agency” comptroller.

Deciphering the first 2 digits of the appropriations symbol:

- 11 Executive Office of the President
- 17 Department of the Navy (includes USMC)
- 19 Department of State
- 20 United States Treasury Department
- 21 Department of the Army**
- 57 Department of the Air Force
- 69 Department of Transportation (includes United States Coast Guard)
- 97 Department of Defense

Deciphering the last 4 digits of the appropriations symbol:

Category	Army	Navy	Air Force	USMC	DOD
Military Personnel	2010	1453	3500	1105	
Operations & Maintenance	2020	1804	3400	1106	0100
Other Procurement	2035	1810	3080	1109	0300
Military Construction	2050	1205	3300		0500
Family Housing	7020	7030	7040		

Deciphering the last 4 digits of the appropriation symbol (continued):

11*0114	Anti-Terrorist Assistance
11*1022	Narcotics Control
11*1080	Military Assistance
11*1081	International Military Education and Training
11*1082	Foreign Military Sales
17*1507	Weapons Procurement, Navy
21*2020	O&M, Army
21*2033	Weapons Procurement, Army
21*2034	Ammunition Procurement, Army
21*2050	Military Construction, Army
69X0201	Operating Expenses, Coast Guard
69*0240	Acquisition, Construction and Improvements, Coast Guard
96*3122	General Construction, Corps of Engineers
96*3124	General Expenses, Corps of Engineers
97X4930	Defense Business Operating Fund

3. **Object Class.** Another common data element is the Object Class, although it appears at different locations within the line of accounting among various agencies. This 3-digit field is used to identify the nature of the supplies/services involved. Activities typically zero-fill this field or use object class 250 ("other service"). Some of the major object class codes are listed below. (Note: Only the first 2 digits of the object class are used in Army accounting data).

200-Series, Contractual Services

- 210 Travel and transportation of persons
 - 211 Full-time civilian and military personnel
 - 212 WAE employees, consultants and experts
 - 213 WOC consultants and experts
- 220 Transportation of things
- 230 Rent, communications and utilities
- 240 Printing and reproduction
- 250 Other Services
 - 251 Building maintenance and alterations
 - 252 Equipment maintenance and repairs
 - 254 Facilities operations

260 Supplies and materials
300-Series, Acquisition of Capital Assets
310 Equipment
320 Land & structures

4. How to Read Accounting Data –Army

Army accounting data is separated into 8 columns as shown below. The bottom row of this table indicates the number of alphanumeric symbols in each column.

A	B	C	D	E	F	G	K
ACRN	APPROPRIATIONS	OPERATING AGENCY	ALLOTMENT	PROJECT ACCOUNT	OBJECT CLASS	FISCAL STATION	AMOUNT
2	7	2	4	7	2	6	

A. ACRN

B. Appropriation Symbol –first 2 digits are “21”

C. The operating agency is a 2-digit code indicating the MACOM responsible for management of the fund cited. For example, “57” is TRADOC and “76” is FORSCOM.

D. The allotment field is a 4-digit serial number locally assigned.

E. The project account indicates a specific operating budget. These budgets are separated by function. The first character is alphabetic followed by a 6-digit number (the last two digits are separated by a period). For example, “P1110.00” is for enlisted pay and allowances.

F. Object class – use only the first 2 digits of the object class discusses above in paragraph 3.

G. The fiscal station identifies, by UIC (unit identification code), the activity which performs the official accounting functions for the funds involved.

H. The amount column indicates how much money is authorized and available for the supplies or services requested.

APPENDIX J

CONTRACTOR AND GOVERNMENT PERSONNEL RELATIONSHIPS

We in the government are finding ourselves in positions that more and more frequently have us interfacing with contractors and contract personnel. While we want to partner with them, we must also remember that they are not government employees and therefore there is fine line of differences that must be upheld when dealing with them. The following letter and listing of “Do’s and Don’ts” is to assist you in doing business with our contract partners.

DEPARTMENT OF THE ARMY
HEADQUARTERS, UNITED STATES ARMY MEDICAL COMMAND
2050 Worth Road
Fort Sam Houston, Texas 78234-6000

MEDCOM Regulation
No. 715-3

14 June 1999

Procurement
CONTRACTOR/CONTRACTOR'S EMPLOYEES AND MEDCOM PERSONNEL RELATIONSHIPS

Issue of supplements to this regulation by subordinate commanders is prohibited, unless specifically approved by HQ MEDCOM, ATTN: MCAA.

1. **HISTORY.** This is the first printing of this publication.
2. **PURPOSE.** This publication establishes U.S. Army Medical Command (MEDCOM) guidance for the proper relationship between MEDCOM personnel and contractors/contractor's employees and is issued by the Assistant Surgeon General for Force Sustainment, as Head of Contracting Activity, MEDCOM Health Care Acquisition Activity (HCAA), pursuant to the Federal Acquisition Regulation.
3. **REFERENCES.**
 - a. Title 5, United States Code, Sections 3109, 5308, 5532, and Chapter 51.
 - b. Title 18, United States Code, Sections 206, 207, and 208(a) and (b).
 - c. Federal Acquisition Regulation, Part 9, Subpart 9.5, Organizational and Consultant Conflicts of Interest.
 - d. Federal Acquisition Regulation, Part 17, Subpart 17.5, Interagency Acquisition Under the Economy Act.
 - e. Department of Defense (DOD) 5500.7-R, Joint Ethics Regulation, change 4.
 - f. Administrative Instruction No. 2, subject: Employment of Experts and Consultants, current edition.
4. **EXPLANATION OF ABBREVIATIONS AND TERMS.** Abbreviations and special terms used in this publication are explained in the glossary.
5. **APPLICABILITY.** This publication applies to all MEDCOM and subordinate activity personnel and their contractors/contractor's employees. It does not apply to U.S. Army Medical Research and Materiel Command and its subordinate activities.
6. **RESPONSIBILITIES.**
 - a. The responsibility for our organization's commitment to integrity and values rests with each government employee.

b. MEDCOM personnel are responsible for complying with the command-wide standards of conduct and for presenting issues if they are concerned that standards are not being met.

c. Key personnel and supervisors must apprise their subordinates and associates of the rules applying to MEDCOM personnel and contractor relationships. Additionally, they are required to listen and act on concerns expressed by employees and contractors/contractor's employees about possible violations of government-wide policies, laws, and regulations.

7. **POLICY.** The MEDCOM policy is to support and comply with statutorily mandated rules and regulations intended to maintain the integrity of the acquisition process. An important factor in maintaining a fair and impartial environment is the relationships between MEDCOM personnel and contractors/contractor's employees. This policy defines general guidelines for daily interactions in accordance with government-wide provisions for procurement ethics. Failure to understand or follow these rules could result in possible civil or criminal penalties. Criminal statutes (reference 3b) apply to everyone and all are obligated to abide and enforce those statutes.

8. **GENERAL GUIDELINES.**

a. MEDCOM personnel must protect procurement information from unauthorized disclosure or compromise. Procurement information generally includes, but is not limited to, budget matters, strategic planning, short-term and mid-term plans, other contractor's proprietary information, and any other information that could be used to gain a competitive advantage.

b. Contractor personnel are not government employees and will not perform inherently governmental functions such as making management decisions on behalf of the government. Other examples of inherently governmental functions are:

- (1) Direction, control, and supervision of federal employees.
- (2) Approval of position descriptions, performance standards, or appraisals/performance evaluation reports for federal employees.
- (3) Selection or nonselection of individuals for government employment, including interviewing individuals for employment.
- (4) Leadership representation or command of military forces, especially the leadership of military personnel who are members of the combat, combat support, or combat service support role.
- (5) Determination of federal program priorities for budget requests.
- (6) Determination of agency policy, such as determining the content and application of regulations.
- (7) Approving the work of a contractor. (Contractors/contractor's employees will not make final decisions nor approve their own recommendations; one contractor cannot approve another contractor's recommendations.)

c. Conduct considered inappropriate for contractors/contractor's employees will not be accomplished through subcontractors, suppliers, consultants, or any other means.

d. An unauthorized personal services contract relationship can occur through creation of a supervisor-employee relationship in a nonpersonal services contract. If such a relationship is developed, the contractor becomes subject to the dual compensation provisions as follows.

(1) A retired civilian employee may be hired as an expert or consultant; however, the civil service annuity, computed on a daily rate, shall be deducted from his or her pay for the actual time worked.

(2) The military retired pay of a retired regular commissioned or warrant officer serving as an expert or consultant shall be reduced in accordance with 5 U.S. Code 5532(b) (reference 3a). Reduction of retired pay is not required for the first 30-day period for which salary is received. The 30-day exclusion does not apply to more than one appointment aggregating more than 30 days within the same work year nor a reappointment to the same position in the succeeding work year. The reduction is effective the 31st calendar day for full-time, temporary appointment and effective with the 31st actual day worked for a temporary, part-time, or intermittent appointment. Temporary, full-time is regular employment with a limited duration. The 30 days are calculated by the full calendar period employed, including Saturdays and Sundays.

e. Army policy allows activities to obtain their acquisition and contracting support from the Army or other DOD organizations that best satisfy their requirement in terms of technical capability, quality, cost (including administrative support costs), and timeliness. To ensure appropriate contractor relationships are established and appropriate strategies or contracting tools are adopted, HCAA will serve as the command's business advisor for contracting matters. This excludes contracting matters specifically provided for by the U.S. Army Medical Research Acquisition Activity, the Defense Supply Center Philadelphia and acquisitions mandated from required sources of supplies prescribed in Federal Acquisition Regulation Part 8 (which has separate statutory authority). All other contractual requirements shall be coordinated through the HCAA Regional Contracting Office assigned to each location. The HCAA reviews are intended to ensure the AMEDD activities receive the best value for their dollars and to enforce the Defense Federal Acquisition Regulation Supplement requirement for development of an Economy Act Determination and Finding for all contracting that is offloaded outside of DOD. Requests for Economy Act Determination and Finding will be sent through the Principal Assistant Responsible for Contracting at the MEDCOM HCAA to the MEDCOM Head of Contracting Activity for approval.

9. **SPECIFIC ORGANIZATIONAL CONFLICTS OF INTEREST.** MEDCOM personnel and contractors/contractor's employees will not engage in conduct or activity that may raise questions as to the MEDCOM's honesty, impartiality, or reputation. Reference 3c further prescribes responsibilities, general rules, and procedures for identifying, evaluating, and resolving organization conflicts of interest. The following summarizes specific prohibitions.

a. Employment discussions with contractors/contractor's employees, implicate serious statutory and regulatory restrictions applicable to certain

current and former U.S. Government employees. MEDCOM personnel will first consult with their ethics advisor to ensure compliance with conflict of interest restrictions.

b. Reference 3a prohibits a government employee from participating personally and substantially as a government officer or employee in a procurement, if he/she has a financial interest in the company, unless he/she makes full disclosure to his/her superiors and either disqualifies himself/herself from further participation in such matters or receives a written determination exempting him/her from the requirement to disqualify himself/herself.

c. MEDCOM personnel must not direct contractors to employ a specifically named individual. This does not preclude MEDCOM personnel serving on source selection panels from evaluating qualifications of key personnel.

d. MEDCOM personnel are not authorized to be involved in deciding the direct compensation of contractor employees and are not to disclose direct compensation information or other elements of costs to other contractors/contractor's employees. Any inquiries of that nature are to be referred to the contracting officer.

e. MEDCOM personnel must ensure that all contract requirements, including development of statements of work, are written independently. If a contractor participates in the preparation of a statement of work or otherwise participates in the development of the requirement, he/she cannot compete for an award of a contract.

f. MEDCOM personnel's market research activities must not include negotiation of prices, terms, and conditions. In addition, the independent government estimates must not be shared with contractors/contractor's employees.

g. MEDCOM personnel must contact the contracting officer when there are any changes in contract requirements. The contractor/contractor's employee and contracting officer's representative cannot negotiate contract changes and jointly prepare submissions to the contracting officer.

h. When MEDCOM personnel and contractors/contractor's employees are collocated, care must be taken to protect procurement sensitive information.

i. MEDCOM personnel and contractors/contractor's employees must conduct business in an atmosphere of openness. All meetings should be scheduled during normal business hours and settings under circumstances that cannot be interpreted to imply concealment.

j. MEDCOM personnel and contractors/contractor's employees must ensure daily activities do not transmit procurement sensitive information or the perception of giving current contractor(s) a competitive advantage. This is particularly important where there may be preexisting social and personal relationships with retired military or retired civil service employees.

k. Contractors/contractor's employees will not attend meetings, briefings, video-teleconferences, or other exchanges of information where the subject matter being discussed could provide a competitive advantage (or the appearance of gaining a competitive advantage). Contractors/contractor's

employees may be used to plan conferences or serve as facilitators; however, care must be taken to ensure that information is not discussed which could potentially provide a competitive advantage in future acquisitions.

l. Contractors/contractor's employees must identify themselves as contractors or employees of contractors and not as members of a particular directorate or command in phone, correspondence, or other communications.

m. Contractors/contractor's employees will not represent commanders or directorates at meetings, conferences, or at any other gathering.

n. Contractors/contractor's employees are not authorized to participate in social events, training holidays, organization day activities and other similar activities, unless the specific activity is defined in the contract. Exceptions include all professional meetings, such as the National Contract Management Association and the Association of Military Surgeons of the United States.

o. The Joint Ethics Regulation limits acceptance of gifts and gratuities from contractors and contractor's employees. MEDCOM personnel will not solicit anything of value from contractors/contractor's employees. Small gifts are occasionally offered in meetings with contractors. Food and refreshments that are not part of a meal (e.g., coffee and donuts) may be accepted. MEDCOM personnel also may accept presentation items, such as a commemorative coin or plaque, or other items worth less than \$20. While MEDCOM personnel may generally accept these small gifts, they may not do so if their acceptance will create an appearance of impropriety. As gifts and gratuities present a real danger of creating a conflict or an appearance problem, MEDCOM personnel should discuss acceptance with an ethics counselor, preferably in advance of acceptance.

p. As a condition of doing business with the MEDCOM, contractors and contractor's employees are absolutely prohibited from bringing food or drink into the government work area, unless it is for personal consumption.

q. MEDCOM employees should not attend repetitive social events with contractors/contractor's employees. Examples of social events are lunches, physical training, sports, or other recreational events.

r. Contractors/contractor's employees will not participate in government provided training, unless specifically provided for in their contract.

10. PROCEDURES.

a. **Badges.** All contractors/contractor's employees will be required to wear a distinct colored badge identifying themselves as contractors/contractor's employees and not government employees.

b. **Voice and data services for contractors/contractor's employees.** Contractors/contractor's employees providing nonappropriated fund type service will normally be provided access to data services and networks for the conduct of official business. Contractors/contractor's employees providing appropriated fund type support in the government workplace will receive access to voice/data services and networks as government-furnished equipment and/or service.

c. Questions. Questions in regards to specific issues may be addressed on a case-by-case basis in consultation with the HCAA management and the MEDCOM Ethics Advisor.

GLOSSARY

Section I
Abbreviations

DOD.....Department of Defense
HCAA.....Health Care Acquisition Activity
MEDCOM.....U.S. Army Medical Command

Section II
Terms

Contract. A mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them. It includes all types of commitments that obligate the government to an expenditure of appropriated funds and that, except as otherwise authorized, are in writing.

Contracting Officer. A person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings.

Contracting Officer's Representative. An authorized representative of the contracting officer acting within the limits of his/her authority as delegated by the contracting officer.

Consultant. An individual possessing uncommon, special, current knowledge or skill in a broad area, combined with extensive experience in the application of such knowledge or skill in an operational setting. As a consequence, consultants are well-recognized outside of their peer group.

Expert. An individual possessing uncommon, special, current knowledge or skill in a particular field. An expert is an outstanding specialist with a high level of peer recognition.

Intermittent Appointment. Occasional or irregular employment on programs, projects, or problems, or phases thereof, requiring intermittent service not to exceed 130 workdays in a service year. (If at any time it is determined that the expert's or consultant's work no longer is intermittent in nature, the employment shall be terminated immediately or converted to full-time, if circumstances allow.)

Market Research. Collecting and analyzing information about capabilities within the market to satisfy agency needs.

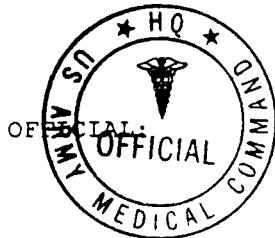
Organizational Conflict of Interest. Means because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage.

Personal Services Contract. A contract that, by its expressed terms or as administered, makes the contractor personnel appear, in effect, to be government employees.

Temporary Appointment. Full- or part-time employment in an authorized billet on programs, projects, or problems, or phases thereof, requiring temporary services for 1 year or less.

The proponent of this publication is the U.S. Army Medical Command Health Care Acquisition Activity. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) to Commander, U.S. Army Medical Command: ATTN: MCAA, 2050 Worth Road, Suite 37, Fort Sam Houston, TX 78234-6037.

FOR THE COMMANDER:



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